FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

ATTENTION!! ATTENTION!! ATTENTION!!

FBIS will phase out publication of most of its paper reports, including ALL Daily Reports and most FBIS Reports, by 31 December 1996.

See inside for information on how to access FBIS products and services electronically.

FBIS-LAT-96-090
Wednesday
8 May 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

May 1996

Dear Customer:

Responding to our many customers' requests, NTIS is offering FBIS publications electronically. Due to resource limitations, hardcopy production of FBIS publications will be phased out during 1996. Hardcopy reports will be discontinued according to the following schedule:

1 April	*Arms Control and Proliferation Issues*
1 May	*Environment and World Health*
1 June	*Narcotics*
1 July	*Terrorism*

Hardcopy publication of the regional DAILY REPORTS will cease as follows:

1 August	*China, Latin America*
19 August	*Near East and South Asia, West Europe, Sub-Saharan Africa, West Europe Economic Review*
2 September	*East Asia, East Europe, East Europe Economic Review*
16 September	*Central Eurasia, Central Eurasia Military Affairs, Central Eurasia Economic Review*

FBIS' goal is to cease publication of all hardcopy reports by 31 December 1996 except for S&T PERSPECTIVES, S&T CENTRAL EURASIA, S&T CHINA, S&T KOREA, S&T EUROPE, and S&T JAPAN. The S&T reports will continue to be published as hardcopy until the graphics they contain can be disseminated on-line.

FBIS products are offered electronically through the National Technical Information Service's (NTIS) "World News Connection" (WNC). This is a new on-line subscription service accessible through the World Wide Web. The Web address is http://wnc.fedworld.gov. Please see the next page for a subscription form or call NTIS Fax Direct at 703-487-4140 and enter product code 8645 to receive more information.

World News Connection™

A Foreign News Alert Service
from
the U.S. Government

World News Connection - WNC1.....$ 21
7 Day - Introductory Offer
Unlimited interactive searching
[no profiles]
Order number SUB-9856BDQ

World News Connection - WNC2.....$ 50
Monthly
Unlimited interactive searching
[no profiles]
Order number PB95-985700BDQ

World News Connection - WNC3.....$ 75
Monthly
Unlimited interactive searching
[1 profile]
Order number PB95-985800BDQ

World News Connection - WNC4.....$100
Monthly
Unlimited interactive searching
[up to 5 profiles]
Order number PB95-985900BDQ
(Prices are subject to change)

User Name *(Please Print or Type)*	**Internet E-mail Address** *(Required)*	**Order Number**	**Price**
1) _____	_____	_____	_____
2) _____	_____	_____	_____

(Continue on a blank sheet if more space is required)

Deposit Account Number (for NTIS account customers only): _____

Customer Master Number (if known): _____ Date: _____

Contact Name: _____ Organization: _____

Street Address: _____ City: _____ State: _____ Zip: _____

Province/Territory: _____ Country: _____

Foreign Postal Code: _____

Internet E-mail Address (Organization contact person): _____

Telephone Number: ( ) _____ Fax Number: ( ) _____

Credit Card Number: _____

Credit Card Expiration Date: _____

Card Type (Visa, Master Card, or American Express): _____

Cardholder's Name (as printed on the credit card): _____

Cardholder's Signature (required to validate all orders): _____

(Please fax this form back to NTIS at **703-321-8547**. Fax service is available 24 hours a day, 7 days a week.
To verify receipt of your fax, call (703) 487-4679 between 7:00am - 5:00pm, Monday - Friday, Eastern Time.)

Daily Report
Latin America

FBIS-LAT-96-090 *8 May 1996*

CONTENTS

INTERNATIONAL AFFAIRS

International Affairs: Rio Group, EU Issue Declaration *[PRESENCIA 17 Apr]* 1

INTER-AMERICAN AFFAIRS

Inter-American Affairs: Mercosur, ALADI, Mexico Hold Talks *[GAZETA MERCANTIL 3 May]* 4

CARIBBEAN

Cuba

Cuba: Cuba Willing To Abide by Accords With Russia *[PRENSA LATINA]* 5
Cuba: Spokesperson Denies Break in Talks Between Cuba, EU *[PRENSA LATINA]* 5
Cuba: Pioneers Appoint Castro as Delegate to Congress *[Havana Radio]* 6
Cuba: May Called 'Decisive' Month for Sugar Harvest *[PRENSA LATINA]* 6
Cuba: People's Determination Lauded Despite Crisis *[Havana Radio]* 6
Cuba: Roundup of Economic Developments Through 7 May *[Havana Radio, etc.]* 7

Haiti

Haiti: Red Army's Activities, Ties Explored *[LIBETE 27 Mar-2 Apr]* 9

MEXICO

Mexico: Gurria on Commission Meetings With Christopher *[NOTIMEX]* 10
Mexico: Immigration Meeting Begins With U.S. *[Mexico City Radio]* 10
Mexico: EZLN To Reconsider Participation in Peace Talks *[Mexico City Radio]* 11
Mexico: Secretariat Issues Communique on Chiapas *[Mexico City TV]* 11
Mexico: PAN Said To Abstain From Electoral Reform Vote *[EL FINANCIERO 3 May]* 12
Mexico: Attorney General's Report on 1995 Drug Operations *[LA JORNADA 3 May]* 13

CENTRAL AMERICA

Honduras

Honduras: Mercosur-Central American Free Trade Zone *[TELAM]* 14
Honduras: 'New Period' in Honduran-Argentine Relations *[NOTICIAS ARGENTINAS]* 14
Honduras: Minister on Cooperation, Commerce With Argentina *[TIEMPO 7 May]* 14

Nicaragua

Nicaragua: CIAV-OAS Presence Extended for Additional Year *[LA PRENSA 3 May]* 15
Nicaragua: 3,500 Men To Guarantee Voter Registration *[Managua TV]* 16
Nicaragua: Robelo Said Involved in Money Laundering *[Managua TV]* 16

Panama

Panama: Acting Foreign Minister Says Base Talks To Resume *[Panama City TV]* 16
Panama: Base Talks Said To Remain 'Deadlocked' *[ACAN]* 17
Panama: Alliance Comments on Study on U.S. Bases *[LA ESTRELLA DE PANAMA 29 Apr]* 18
Panama: Former VP Assesses Study of U.S. Bases *[EL PANAMA AMERICA 5 May]* 18

Paraguay: Retired General Oviedo Forms Political Movement *[ABC COLOR 6 May]* 40
Paraguay: Strike Ends With 130 Wounded, Widespread Damage *[ABC COLOR 4 May]* 40

Peru

Peru: Communique Issued on Argentine Arms Sales *[Lima TV]* 41

International Affairs: Rio Group, EU Issue Declaration

PY0305221596 La Paz PRESENCIA in Spanish 17 Apr 96 p 2

["Text" of the Cochabamba Declaration, issued upon conclusion of the Sixth Institutionalized Meeting of the Rio Group and the EU in Cochabamba, Bolivia on 16 April]

[FBIS Translated Text]

1. The sixth institutionalized ministerial meeting of the Rio Group and the European Union was held in Cochabamba (Bolivia) on 15 and 16 April 1996, in accordance with the provisions of the Rome Declaration of 20 December 1990 and the final Declaration of the Fifth ministerial meeting held in Paris on 17 March 1995.

2. Ministers confirmed the vital importance they attached to the respect for human rights and citizens' fundamental freedoms and to the principles of democracy and political pluralism. Those values form the basis for collaboration between the European Union and the Rio Group and also represent an essential element in securing sustainable development.

3. Ministers made a positive assessment of the political dialogue and of the relations and cooperation between the countries of the Rio Group and the European Union since the Rome Conference. They also agreed to make their coordination within international organizations even more effective.

4. The institutionalization of the biregional dialogue had contributed to the strengthening of relations with the different subregions and countries of the Rio Group.

5. Cooperation had been enhanced, in particular as a result of the Third-Generation Agreements, greater involvement of civil society, the definition of strategies for the subregions, countries and sectors and the implementation of horizontal programs.

6. In the last five years, Latin America and the Caribbean had become one of the most dynamic world markets for European exports; the countries of the European Union had become one of the main investors in the region. In addition, the European Union was the leading cooperating partner in Latin America and the Caribbean.

7. Ministers welcomed the implementation of a new strategy for reinforcing commercial, economic, and technological exchanges and promoting industry and investments consolidating the partnership between the private sectors in both regions. The strategy takes account of the realities and new potential of the two regions from the political, trade, investment, and cooperation aspects and aims at facilities closer relations by means, for example, of schemes to bring about the gradual and reciprocal liberalization of trade with the subregions and countries of the Rio Group. In this context, they pointed to the following evidence of progress:

8. The conclusion of the Interregional Framework Cooperation Agreement between Mercosur and the European Union and the Joint Declaration on political dialogue signed in Madrid in December 1995, which had as their aim the strengthening of their relations and the establishment of a political and economic interregional association.

9. The signing of the Joint Declaration of political dialogue between the European Union and Chile on 18 December 1995 and the beginning of negotiations for a new agreement aiming at the establishment of a political and economic association.

10. The adoption of the Joint Solemn Declaration on 2 May 1995 between the European Union and Mexico in which the parties expressed their resolve to negotiate a new political economic, trade and cooperation agreement.

11. The positive direction taken by the San Jose dialogue between the European Union and Central America, one of the essential objectives of which is to reaffirm the process of peace and development and renew and update the institutional dialogue between both group of countries, as agreed as the San Jose 12 meeting in Florence on 21 March 1996. They also emphasized the positive role of the Alliance for Sustainable Development (ALIDES).

12. The development of the dialogue which will enable political, economic, and trade relations between the European Union and the Andean Community to be strengthened, in accordance with the conclusions of the Andean Presidential Council and the Madrid European Council.

Sustainable Development

13. Ministers welcomed the gradual incorporation of all aspects of sustainable development into public policies, thus linking a strengthening of the socio-economic development of the people, environmental protection, the fight against poverty, especially as regards less-favored regions, the expansion of international competitiveness and respect for cultural diversity. Ministers confirmed their agreement on the implementation of the action program of the World Summit for Social Development held in Copenhagen in March 1995. They agreed, therefore, to pay special heed, inter alia through projects in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

areas of health, education and housing policies, to the fight against inequality and social exclusion, the protection of the rights of indigenous communities and their cultural heritage and their full participation in all aspects of society in the context of the national development of their respective countries.

14. Ministers recommended stepping up specific action to promote and protect women's rights and equal participation in decisionmaking processes, in accordance with the agreements adopted at the Fourth World Women's Conference held in Beijing.

15. Ministers also stressed the importance, in the context of this comprehensive view of sustainable development, of the holding of the Summit of the Americas for Sustainable Development, which is to take place in Bolivia in December 1996, and of the declarations of the European Council in this respect.

16. Ministers underlined the importance of industrialization as a means of securing sustainable development. In this context, they stress the role of UNIDO and welcomed the ongoing comprehensive reform.

Economy, Trade and Investment

17. Ministers welcomed the continuing progress of regional integration in Latin America, the Caribbean and in Europe which, by creating extended economic areas, has made an important contribution to the liberalization and expansion of international trade, the political rapprochement of the States concerned and to the on-going modernization and refinement of their economic and social structures.

18. As evidence of the growing macro-economic solidity of the Latin American region and the Caribbean, ministers drew attention to the way in which the economies of the countries of the region had faced up to and overcome the negative effects of the volatility of international capital which had occurred in the first months of 1995. In this context, they stressed the importance of the holding of a seminar on the subject in Rome on 6 and 7 May 1996.

19. Ministers expressed their interest in the promotion of investments which, in recent years, had made a particularly important contribution to the modernization of the productive capacity of Latin America and the Caribbean, the strengthening of links between the countries of the European Union and the Rio Group, the diversification of economic and trade relations and the consolidation of the partnership between the private sectors of the two regions.

20. Ministers asked the European Investment Bank to step up its activities in Latin America while adhering to its funding procedures and criteria.

21. Ministers stressed their commitment to the promotion of the principles of multilateralism and free competition; they expressed their firm resolve to strengthen the World Trade Organization by fully implementing its rules and disciplines and employing the mechanisms provided for the solution of trade disputes. In this regard, they stated their firm rejection of any unilateral measure having extraterritorial effects contrary to international law and to commonly accepted free trade rules. They emphasized the importance of honoring the commitments made during the Uruguay Round and the urgent need in this context of successfully completing the negotiations for the liberalization of the remaining sectors and continuing the examination of the questions arising from the Marrakesh Conference. In this context, the interests and the differing levels of development of the countries must be considered in a balanced way.

22. They considered it desirable to cooperate closely in order that a full appraisal of the implementation of the results of the Uruguay Round might be made at the first WTO ministerial meeting, to be held in Singapore in December 1996.

23. Ministers acknowledged the importance of the European Union's cooperation in the interests of the Rio countries over the last five years and agreed on the need for those efforts to continue and to be stepped up, with due regard for the development priorities established for each country. They welcomed the conclusions of the Madrid European Council concerning the strengthening of cooperation between the European Union and Latin America for the period 1996-2000 on the basis of certain areas of priority focus.

24. Ministers expressed their willingness to support projects for cooperation between the private sectors of the two regions, with particular support for small and medium-sized enterprises. Accordingly, they attached great importance to the recent European Union arrangements regarding the renewal of co-investment promotion programs and ties between entrepreneurs (ALINVEST and ECIP). They again acknowledged the academic and scientific exchange program.

25. Furthermore, they emphasized the potential of the ALURE program for the exchange of information on and restructuring of energy policy. Ministers welcomed the forthcoming European Union- Latin America Energy Conference due to take place in Caracas on 27 and 28 June, which would analyze the prospects for energy cooperation between the two regions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

26. In the context of improving the effectiveness of cooperation, ministers recognized the importance of follow-up to an appropriate assessment of programs and cooperation projects.

27. Ministers underlined the importance of the Fourth Framework Program for Scientific and Technological Cooperation and acknowledged the need, when the Fifth Framework Program was drawn up, to consider the possibility of strengthening the participation of the Rio Group countries. They therefore stressed the importance for the two regions of full participation in the various aspects of the construction of the information society. They agree to establish a dialogue at the appropriate level, with a view to defining the ways and means to be used to achieve these objectives.

Drugs and Related Issues

28. Ministers emphasized the importance of maintaining a high- level political dialogue between the Rio Group and the European Union on cooperation in the field of drugs and related issues. Accordingly, they noted with satisfaction the dialogue between the European Union and the Andean Group initiated at the ministerial meeting in Brussels on 26 September 1995, the signing of the agreements for the control of chemical precursors and the first joint meeting of high-level experts in Rome on 11 March 1996. Ministers emphasized the importance of strengthening the role of the United Nations International Drug Control Program.

29. Both sides viewed with interest the proposal to hold a special session of the UN General Assembly on drugs and related issues. They stated that this proposal should be dealt with by the 39th session of the Commission on Narcotics Drugs, to be held in Vienna from 16 to 25 April 1996, and by the high-level section of the Economic and Social Council on the problem of drugs, which will be held in New York in June 1996.

30. Ministers also expressed satisfaction at the agreement reached by the Rio Group and the European Union on developing and deepening their relations in this area. They emphasized the importance of promoting practical measures to address the global threat posed by the problem of drugs.

31. They also appealed to the international community to take joint action based on the principle of coresponsibility to deal with this problem. Ministers considered that this global coresponsibility strategy was essential in bringing about a genuine reduction in the supply of and demand for illicit drugs of both natural and synthetic origin, to control the diversion of chemical precursors, money laundering and other related offenses, and to ensure judicial cooperation and the implementation of development programs aimed at abolishing production.

Joint Action

32. Ministers agreed to step up their cooperation in the above areas in the framework of their respective jurisdiction in the appropriate fora. Consequently, in their desire to improve the appropriate dialogue and cooperation structures, they also agreed to:

33. intensify their political dialogue, at subregional level, by incorporating topics of concern to both regions and the international community, at the interparliamentary level and in international fora;

34. continue the exchange of experience, with a view to strengthening the climate of confidence and thereby reducing the risks of conflict and consolidating international peace and security through respect for the law and international treaties;

35. examine, taking into account the efforts of both regions in the fight against corruption and terrorism, the conclusions to be drawn, in the interests of effective cooperation between the two regions, from the Seminar on Moral Integrity and Civil Ethics, held in Montevideo in November 1995, the Inter-American Convention on Corruption, signed in Caracas on 29 March 1996, and the Specialized Conference on Terrorism to be held in Lima in April 1996.

36. Ministers stressed the importance of judicial cooperation in the civil and criminal spheres and called for such cooperation to be intensified, in particular by the accession of the countries concerned to the relevant international conventions.

37. Ministers agreed to continue developing the dialogue established in the United Nations framework and to meet in New York on the occasion of the United Nations 51st General Assembly.

38. Ministers agreed to convene the Fourth High-Level Economic and Trade Meeting in Brussels for the second half of 1996.

39. Ministers thanked the Government of the Kingdom of the Netherlands for its invitation to hold the seventh institutionalized Rio Group-European Union ministerial meeting at Noodwijk on 7 April 1997.

40. Ministers expressed their gratitude to the Bolivian people and to the Bolivian Government for its hospitality and organization of the meeting, which had ensured the success of the sixth institutional ministerial meeting between the Rio Group and the European Union.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Inter-American Affairs: Mercosur, ALADI, Mexico Hold Talks

PY0805035496 Sao Paulo GAZETA MERCANTIL in Portuguese 3 May 96 p A6

[Article by Livia Ferrari]

[FBIS Translated Text] The Common Market of the South (Mercosur) will next week resume negotiations with the rest of the member countries of the Latin American Integration Association (ALADI) with the objective of signing four-plus-one complementary economic agreements. Talks with Venezuela will begin on 6 May, and with Colombia and Peru by the end of the month, according to Rosaria Costa Baptista, head of the International Negotiations Department of the Foreign Trade Secretariat (Secex). The first, and so far only, four-plus-one agreement was signed between Mercosur and Bolivia at the end of 1995.

Since then, the international negotiators have totally centered their attention on the agreements with Chile, which expects to sign a free trade agreement with the Mercosur by June. That date, however, is subject to postponement because, according to Rosaria Baptista, the Chilean negotiators insist on reopening discussions about already negotiated subjects between the two parties. These subjects include the tariff treatment for products processed in free trade zones. "The Chileans changed their position and now refuse to impose import tariffs on the industries located in the free trade zones," said Rosaria Baptista.

As for Mexico, no date has been established to begin negotiations with the Mercosur. The Mexicans insist on holding the meetings in Mexico, thus going against a routine consecrated in the Mercosur, where meetings are held in Montevideo, Uruguay (headquarters of the Mercosur Secretariat).

The Brazilian negotiators have proposed to Mexico that the process of understanding begin with the products that have the greatest weight in the trade between the two countries (chemical and iron and steel products) and with parameters to be suggested by the business sector. The Mexicans, however, rejected this proposal. "They do not want to meet with Brazilian businessmen because they think it would represent a weaker Mexican position," said Rosaria Baptista as she admitted that the negotiations between the Mercosur and Mexico — which is member of the NAFTA — will be difficult.

This is particularly true because the bilateral agreements signed last year between Uruguay and Mexico, for example, envisage a 100 percent margin of preference for nearly all trade tariffs between the two countries. "Making the tariff preferences foreseen in those agreements multilateral would mean immediately creating a free trade area between Mexico and the Mercosur," said Rosaria Baptista.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Cuba: Cuba Willing To Abide by Accords With Russia

PA0705190796 Havana PRENSA LATINA in Spanish 1610 GMT 7 May 96

[FBIS Translated Text] Moscow, 7 May (PL) — Cuba has reiterated its willingness to fully abide by the intergovernmental accords on the exchange of sugar for oil, which were signed with Russia last year.

In a meeting with local reporters in Moscow, Cuba's commercial representative Adalberto Dumenigo flatly rejected local and international news reports of an alleged break in the contracts by Cuba.

Those reports are completely false and with all certainty come from sources at the Russian Alfa-Eco company, which won the bid offered by the Russian Federation Government to implement the bilateral treaties. Without announcement, Alfa-Eco has refused to abide by the contract since 5 March.

In brief remarks to PRENSA LATINA, Dumenigo recalled that the exchange was suspended when the Alfa-Eco management demanded fundamental changes to the document signed by the two countries.

The Cuban representative expressed his country's rejection of the request to review pricing in order to seek better prices for sugar and raise the amount of sugar with a free destination, with which they want to divert part of this product to other markets. [sentence as received]

He also regarded as unacceptable the reduction of the freight levels and other demands that prompted Alfa-Eco to begin a campaign of allegations against the Antillean nation. The bilateral agreements are based on the international market's prices and norms, which is why the drop in prices would force Cuba — and of course it is willing to do that — to ship a higher amount of the precious product in exchange for Russian oil.

The island authorities asked the Russian Federation Government to exercise its authority and appoint another company, among the many that are serious and can comply with the accords, which was halted at half the contracted amount.

According to the source, Alca-Eco should send to Havana approximately 1.5 million tons of oil in exchange of 500,000 tons of Cuban sugar.

The commercial representative insisted that his country was and always will be ready to abide exactly by the existing document and predicted success for the efforts by the two nations to restore economic ties.

Cuba: Spokesperson Denies Break in Talks Between Cuba, EU

PA0705204196 Havana PRENSA LATINA in Spanish 1939 GMT 7 May 96

[FBIS Translated Text] Havana, 7 May (PL) — Cuba today denied press reports that the conversations between this country and the European Union (EU) with a view to reaching an agreement have been "frozen" and affirmed that conversations continue.

According to a statement written by a Cuban Foreign Ministry spokesman, the reports, which the Spanish press attributed to EU Vice President Manuel Marin, "are filled with inaccuracies and are far from what really took place" in Brussels between the delegations of Havana and the EU.

According to media sources, Marin had announced the rupture of exploratory talks to negotiate a cooperation agreement with the island.

Both parties, the spokesperson remarked, held this Tuesday the first round of discussion to continue the dialogue that began in late 1995 with the "troika" from the EU that visited this capital.

The statements attributed to Marin are "surprising," the source commented. They were made before the resumption of these talks between Cuban Vice Foreign Minister Isabel Allende and Mr. Jose Anacoreta, the representative designated by the EU, the source noted.

These conversations, the source added, proceeded in an atmosphere of "cordiality and respect, and the dialogue with the EU was furthered."

The Cuban vice minister clearly explained the interest of her country in its relationship with that European integrationist organization and stressed the EU's role regarding cooperation, while the EU reiterated its unequivocal rejection to the U.S. Helms-Burton law, the spokesperson affirmed.

The spokesperson stated that the representatives "considered that there are conditions for this exchange to continue, although no initial steps have been taken to begin negotiating a cooperation agreement."

The Cuban delegation and the EU agreed in describing bilateral talks as fruitful, the official spokesperson added. The source concluded that dialogue will continue at various levels and other topics of mutual interest will be addressed.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba: Pioneers Appoint Castro as Delegate to Congress

PA0705185496 Havana Radio Rebelde Network in Spanish 1700 GMT 3 May 96

[FBIS Translated Text] Commander in Chief Fidel Castro Ruz has been selected as a direct candidate to the provincial Pioneer's Congress in Santiago de Cuba to be held on 15 May at the Heredia Convention Center. The proposal got an unanimous response during the base level congress held in Palma Soriano Municipality. Raul, Almeida, and Melba, the historic leaders of the Revolution, were also selected as congress delegates by Santiago de Cuba's pioneers.

Now, the pioneers are preparing to broach the concerns of the province and the nation. Such is the case of Pioneer Orieta Hernandez Bermudez:

[Begin Hernandez recording] I would like to discuss the study-work issue, which is one of the issues which has been discussed the most at municipal level assemblies, since the pioneers are seeking to improve relations between teachers and students, and for history teachers to make their classes more interesting. Also, pioneers from rural regions and special education programs are seeking more consideration, they seek to get the same consideration as other pioneers. Another goal is to increase ties with National Institute for Sports Physical Education and Recreation programs and culture programs in order to improve the training of amateurs and athletes.

This is very important, we, the pioneers of Santiago de Cuba want to urge television programs to become more educational. [end recording]

Cuba: May Called 'Decisive' Month for Sugar Harvest

PA0705224696 Havana PRENSA LATINA in Spanish 1401 GMT 6 May 96

[FBIS Translated Text] Havana, 6 May (PL) — The Cuban economy is getting ready now to provide a final impetus to the 1995-96 sugar harvest production with a view toward consolidating the march toward recovery of the country's first industry, official sources stated.

According to an editorial published Monday by the newspaper, TRABAJADORES, raw material in the fields makes it possible to ensure the plan foreseen for the current harvest (4.5 million tons of sugar) and even obtain additional quantities.

This month, the weekly noted, is taking shape as the "decisive moment" of the current harvest, in terms of the conclusion of the cane processing, as well as in terms of the guarantees for next year's harvest.

The threat of strong rains — frequent this time of year — puts the greatest pressure on all the forces involved in the rejuvenation of the island's sugar sector.

In this respect, the areas where the raw material is located should be reinforced with personnel and equipment and these zones should work in conjunction with factories likely to operate with efficiency.

Fulfilling the 1996 program — 36-percent higher than the results of the previous harvest — involves an indispensable requisite to pay the loans granted to develop the Cuban sugar sector, TRABAJADORES said.

Furthermore, additional work is required in the summer months to protect the sugarcane to ensure there will be enough raw material to process in the coming harvest.

On Monday, Granma Province (in the country's eastern region) announced the production of over 300,000 tons of sugar, a volume that represents the total planned for this region for the 1995-96 harvest, and Villa Clara Province reached 505,440 tons on Sunday. The ranks of the provinces that have fulfilled their plans also include Santiago de Cuba, Sancti Spiritus, and Guantanamo. A special effort is being made in Camaguey, Las Tunas, and Ciego de Avila Provinces in view of the availability of sugarcane in these regions.

Cuba: People's Determination Lauded Despite Crisis

PA0805034396 Havana Radio Havana Cuba in Spanish 0000 GMT 7 May 96

[Roberto Morejon analysis from the "Evening Information Review" newscast]

[FBIS Translated Text] President Fidel Castro recently hailed the abnegation of the Cuban people, who have shown so much determination in the midst of a crisis to overcome many shortages. Because of this, it is now possible to talk about a certain recovery in the country now.

The recent observance of the 17th Congress of the Cuban Workers Federation, and the fact that the current harvest reached the first 4 million tons of sugar of the 4.5 million planned, emphasize the Cuban people's spirit in the current period.

Delegates to the labor congress ascertained how much the island has recovered from what was considered a demolishing blow, which was what the disappearance of the socialist bloc and the Soviet Union represented for the Cubans.

The emergence of certain signs of confusion on the island was natural, but, as it was confirmed at the labor

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

event, the Cuban people have managed to overcome obstacles.

Obviously, the achievement of [words indistinct] that Cuba had in the 1980's is still far away; and problems with food, clothes, shoes, transportation, equipment, and spare parts are still evident.

However, the exhausting sugar campaign is still underway and there is a real possibility that production will increase 30 percent upon its conclusion, compared with the previous harvest, which totaled 3.3 million tons.

However, other important achievements are also evident when you see previously closed factories reopening, the metalworks industry's slow but sure recovery, the increase in nickel production, and the ability to do likewise in the tobacco sector and other sectors. Obviously, it would be wrong to think that the small steps taken thus far are only attributable to the Cuban people's efforts, because the country has gotten loans from foreign enterprises, albeit with extremely high interests.

To meet those obligations it will be necessary to maintain and increase the current rhythm of work in the countryside and in the cities, including manual laborers, scientists, technicians, and the other components of our work force.

In President Fidel Castro's opinion, the most interesting thing about the current situation on the island is the Cuban people's reaction and how they have evolved in the most critical economic times, until they reached the phase that is now becoming evident and that the president defined as encouragingly healthy.

The encouraging health situation is directly related with the dynamics of the recently concluded workers congress and the current sugarcane harvest, which is about to conclude.

Cuba: Roundup of Economic Developments Through 7 May

PA0705214896

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 7 May.

Osvaldo Martinez, president of the Economic Commission of the National Assembly of the People's Government, ANPP, said that in 1995, the Cuban economy began a recovery process, a trend that is expected to continue in the current year, despite the implementation of the Helms-Burton law. Martinez noted that this trend is reflected in the GDP growth of 7 percent, the reduction of the budget deficit, the revaluation of the peso, as well as the increase in agricultural production registered in the first quarter of 1996. (Havana Radio Havana Cuba in Spanish 0000 GMT 27 Apr 96)

The Spanish Council of Ministers, led by acting Prime Minister Felipe Gonzalez, decided to grant Cuba a credit for $500,000. The Spanish Presidency minister noted that this humanitarian assistance will be allocated to purchase equipment to make bread in Cuba. (Havana Radio Havana Cuba in Spanish 0000 GMT 27 Apr 96)

According to Tomas Benitez, president of the Gaviota Tourist Group, Inc., the earnings realized by this organization grew by 50 percent during the first quarter of 1996. Although the flow of visitors increased by 70 percent in this same period, Gaviota still has approximately 1,700 rooms available. (Havana Radio Havana Cuba in Spanish 0000 GMT 27 Apr 96)

One of the fundamental achievements of the social projects prevailing in Cuba is the preservation of totally free health and education services, which have been guaranteed despite the current economic crisis. However, the health services demand a considerable annual injection of foreign exchange, approximately $100 million, to purchase medical equipment, pharmaceutical products, spare parts and other supplies. In response to the country's economic hardships and particularly, the shortage of foreign exchange, the Cuban workers with access to freely convertible currency had the initiative, in agreement with their labor organizations, to make periodic contributions to the health sector. Although most of these donations are basically made by tourism workers, workers from productive and services sectors have also made contributions in foreign exchange, because they receive incentives paid in foreign currency. In the 17th Congress of the Cuban Workers Federation, it was learned that thus far this year, the workers from the eastern province of Santiago de Cuba have donated more than $200,000, while those from Havana City have donated approximately $160,000. Even though it is true that total voluntary contributions do not quite measure up to the health sector's need for foreign exchange, this generous gesture by the Cuban workers makes the Cuban labor movement even more noble and sensitive. (Havana Radio Havana Cuba in Spanish 0000 GMT 2 May 96)

Petroleum workers from central Cuba reiterated their commitment to produce 1.8 million tons of crude this year. Petroleum production in the central region grew by 26 percent last year and has already registered a 6-percent increase in the first four months of 1996, yielding revenues of nearly 1 million pesos. The workers of the Petroleum Drilling and Extracting Enterprise of Central Cuba have already produced more than 340,000

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

tons of crude and plan to surpass the unprecedented record set last year. (Havana Radio Rebelde Network in Spanish 1700 GMT 2 May 96)

With the plowing of an additional 22 caballerias, Las Tunas Province surpassed its projected goal to prepare the plots for sugar planting activities in the spring. In the first four months of 1996, Las Tunas sugarcane farmers were able to plow 1,452 caballerias in order to surpass projected goals for spring sowing activities, which should guarantee an increase in production for the next harvest. By the end of April, approximately 270 caballerias were planted in Las Tunas, 6,000 were weeded by chemical and manual means, while another 6,000 were sowed, and more than 4,000 were fertilized. (Havana Radio Rebelde Network in Spanish 1700 GMT 2 May 96)

In barely four months, Ciego de Avila Province has produced 2 million quintals of tubers and vegetables, that is, half the plan stipulated for the entire year. (Havana Radio Rebelde Network in Spanish 1155 GMT 3 May 96)

More than 69,000 quintals of rice have been collected in Granma Province from the 60 caballerias already cut. The yield of 1,141 quintals per caballeria are well below projections, but this trend is expected to improve in the coming days. (Havana Radio Rebelde Network in Spanish 1155 GMT 3 May 96)

Netherlands Ambassador to Cuba Eldred Maduro said today that Cuba and the Netherlands maintain the flow of trade despite the Helms-Burton law. This commercial flow amounted to $246 million in 1995. In a statement to the local press, the diplomat stressed the growing interest among his country's investors in the opportunities offered by the Cuban state in the wake of the approval of the foreign investment law nine months ago. He referred to the great significance of this law and the warm reception it obtained from his country's businessmen while adding that his government is willing to sign an agreement with Cuba to promote and protect investments. According to Maduro, last year's total bilateral exchange represented an increase of approximately 40 percent compared to 1994 and a favorable balance for the island. The Netherlands cooperates with Cuba in the agricultural sector, has sold seeds and provided advice to potato producers, who plan to collect more than 7 million quintals in the 1996 harvest. (Havana PRENSA LATINA in Spanish 1600 GMT 3 May 96)

Despite the fact that the slowdown still continues regarding the production of potatoes in such territories as Havana Province, the current potato harvest ranks among Cuba's top harvests. Experts contend that the country will be able to produce 7 million quintals of potatoes at the national level, which would set a record for the harvest, based on a yield increase. Only to illustrate the top figures registered, Cienfuegos collected an average of 9,300 quintals per caballeria; a Havana-based Basic Cooperative Production Unit grew 15,000 quintals; and Matanzas produced 1.2 million quintals, the largest harvest in the province's history. (Havana Radio Rebelde Network in Spanish 1700 GMT 3 May 96)

Thus far this year, Ciego de Avila farmers have collected 2 million quintals of tubers and vegetables, an unprecedented figure in this province's record for a period of four months. The potato harvest will end here in the coming hours with an unprecedented total production of more than 1.2 million quintals. In addition, state organizations, cooperatives, and individual farmers collected more than 300,000 quintals of plantains and 270,000 quintals of tomatoes. Ciego de Avila farmers are intensifying their efforts to produce not less than 4 million quintals of different crops by year end, another unprecedented figure in this province's record. (Havana Radio Rebelde Network in Spanish 1700 GMT 3 May 96)

Sancti Spiritus Province realized profits of an unprecedented 3 million pesos in the first quarter of 1996, thus confirming this province's positive economic trend. Nearly all productive sectors are participating in the province's recovery process, although the agricultural sector, which registered earnings for 315,000 pesos, and the industrial sector stand out. Despite this, Sancti Spiritus' overall economy is still faced with a budget deficit and an imbalance regarding currency in circulation. (Havana Radio Rebelde Network in Spanish 1700 GMT 3 May 96)

EU nongovernmental organizations will give Cuba approximately $2 million, which will be allocated for an agricultural development program in the municipality of Gibara, in the eastern province of Holguin. (Havana Radio Havana Cuba in Spanish 0000 GMT 3 May 96)

The UN Population Fund gave Cuba assistance for more than $500,000, which will be allocated for projects to be undertaken along with the Education Ministry, the National Statistics Office and the Physical Planning Institute (Instituto de Planificacion Fisica). (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 4 May 96)

With significant economic results registered in 1995, net profits of more than $2 million, and a high occupancy rate of more than 85 percent, the Copacabana Hotel ranks among the most successful hotels of the Gran Caribe Group. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 4 May 96)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Michel Villand, president of the French company Cofeco Internacional, said in Havana that French investors are not afraid of the Helms-Burton law following the signing of an agreement to create a mixed enterprise with Cuba to make breads, pastries, and cakes. The new Cuba-French enterprise began yesterday the construction of a bakery goods factory with a budget exceeding 2 million (currency not specified). This enterprise will cater to hotels, tourist centers, and other establishments. (Havana Radio Havana Cuba in Spanish 1300 GMT 6 May 96)

Haiti

Haiti: Red Army's Activities, Ties Explored

96CA0165A Port-au-Prince LIBETE in Creole 27 Mar-2 Apr 96 p 5

[By Kolsonn Dome: "Red Army or Chimera?"]

[FBIS Translated Excerpt] [Passage omitted] In some countries terrorists or armed groups are trying to set off a revolution. These groups make statements to the press, or make demands from the government, with one person representing the group in its negotiations. It is then that people learn that there is a group of terrorists or revolutionaries operating in the country.

Given the experience of other countries, does the "Red Army" really exist? If it exists, who directs it? What are its goals? What does it want from the government? What is its ideology? Each question deserves an answer so that LIBETE's readers will know what the Red Army really is.

Some people say the Army can be divided into categories: children, young boys, young girls, and some adults. Each group has a specialty. The children steal and give their booty to others. When the entrance to Cite Soleil is blocked, these children use it to steal weapons from the American soldiers, and run back into the slum. The young boys took part in the disarmament campaign. When they took weapons, they did not turn them in to the police, but used them to commit burglaries. They even killed people who tried to stop them. The adults search people's homes for money.

These group members also go to government institutions and demonstrate for jobs even though they have no qualifications. If they don't receive work, they start trouble. We should also point out that some government employees who have problems with a director have been known to pay these people to demonstrate to have the director removed. They have even prevented the director from entering his office until he has been dismissed.

The so-called "Red Army" is based in Soleil 17 and in Tokyo, as well as small bases around the slum. The leaders have famous names, such as al-Qadhdhafi, Mussolini, Hitler, Somoza, Saddam Husayn, and others. These names clearly show what kinds of activities the groups plan to carry out.

In addition, before President Aristide left office, he met with a "Red Army" group. President Aristide went to Cite Soleil with the intention of reconciliating the "Red Army" with the national police stationed in Cite Soleil. The singers Boukmann Experyans and Teodore Beaubrun Jr., known as Banabe, were present but said they were not members of the "Red Army." They were friends, and knew them well, which triggered many questions. On the one hand, the president wanted reconciliation between the "Red Army" and the police. On the other hand, the singers kept saying they were friends, but not members, of the "Red Army."

After Banabe finished speaking, President Aristide asked a policewoman, Marie Christine Jeune, to embrace a "Red Army" member. She responded: "I will not embrace someone who is armed. When I can take away his weapon, I will embrace him in reconciliation." Can someone make peace with a person who is not truly interested? Let us recall that police officer Marie Christine Jeune was shot to death on 19 March. Her body was found in Petionville.

Many people have remarked that while these armed bandits are operating illegally in the country, no one knows what their needs are. Maybe it is better to call them chimera, since they are performing criminal acts. In any case, whatever they are called, the government must give the National Police the appropriate materiel so that they can disarm these bandits who are causing so much sorrow. If the government and the police do not do what is necessary, reestablishing the government's authority and democracy will be empty words.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: Gurria on Commission Meetings With Christopher

PA0705181596 Mexico City NOTIMEX in Spanish 1619 GMT 7 May 96

[FBIS Translated Excerpt] Mexico City, 7 May (NOTIMEX) — Today, Mexican diplomatic sources disclosed that the 13th Mexico-U.S. Binational Meeting is continuing its sessions, which will close today after the possible signing of approximately 10 agreements on matters of bilateral interest.

The same sources revealed unofficially that following yesterday's inauguration ceremony, "major progress" was achieved in the drafting of agreements on topics such as timber, education, health, environment, and transportation.

Today, delegations from the two countries continued their private activities in most of the 16 working groups and have slated a public plenary session at noon, when conclusions will be announced and several agreements might be signed.

U.S. Secretary of State Warren Christopher and Mexican Foreign Secretary Jose Angel Gurria, cochairmen of the forum, agreed yesterday to make a positive assessment of the "complex" bilateral relations that characterized the past year.

Gurria and Christopher, who are supervising the work of the binational forum, headline the highest-ranking delegation of Mexican and U.S. Government officials in the binational meetings begun in 1981. On this occasion, this delegation is formed by eight secretaries of state from each country [sentence as received].

According to these sources, the announcement of an agreement between the United States and Mexico is expected to strengthen ties and promote the efforts of the "program of mutual understanding," mainly in such areas as drug trafficking, immigration, and border affairs.

According to the sources, after the plenary session, which will be held at the installations of the Mexican Foreign Secretariat in this city, representatives of the two delegations attending the meeting will hold a news conference. This meeting has been described as "historic" because of the large number of attendees.

Following this event, the government officials are scheduled to go to the Los Pinos presidential residence to meet with Mexican President Ernesto Zedillo and brief him on the conclusions reached at the binational forum.

The second and last day of this meeting was preceded by the announcement that Mexico and the United States had made "significant" progress in the past year vis-a-vis the strengthening of a new relationship "of genuine mutual trust."

According to Foreign Secretary Gurria, despite "disagreements and backwardness" in several aspects of the bilateral relationship in that period, Mexico and the United States reached an agreement of "new understanding," which will enable the two countries to promote relations "of genuine mutual trust."

In Mexico's view, "the political relationship, economic ties, drug trafficking, immigration, and border coexistence" are the leading topics of the bilateral agenda.

The Mexican foreign secretary warned against "the emergence of trends that seek to hobble our coexistence and lead us onto the path of confrontation and demands" and urged the two delegations to commit themselves to counter this trend. [passage omitted]

Mexico: Immigration Meeting Begins With U.S.

PA0605020596 Mexico City Radio Red Network in Spanish 2300 GMT 3 May 96

[Report by Rafael Jerezano from "The Night Monitor" newscast]

[FBIS Translated Text] [Announcer Martin Espinoza] The 35th Interparliamentary Meeting between the United States and Mexico has begun in Zacatecas just as relations between the two countries have become more tense due to the situation along the border, for instance, the attacks on immigrants in certain California towns.

Rafael Jerezano reports from the city of Zacatecas.

[Jerezano] We are reporting from the former church of San Agustin in the city of Zacatecas. The inauguration of the 35th Interparliamentary Meeting between Mexico and the United States is under way. Deputy Augusto Gomez Villanueva, president of the Foreign Relations Commission, has delivered the opening speech.

Villanueva has said the Mexican Government is demanding with greater emphasis that U.S. authorities give prompt and serious attention to the problem and put an end to the violation of human rights in view of the increase in the number of violent and xenophobic incidents against Mexican immigrants in the United States. He has said that in order to find short-term formulas, regulations of coordination should be established among consulates with the objective of respecting human dignity and finding methods to allow illegal aliens to return safely.

In what he has described as one of the interparliamentary meetings that has attracted the greatest interest for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the congresses of both nations, Gomez Villanueva has said the important point is to discuss common problems amid friendship, cooperation, and goodwill, always respecting sovereignty and international law.

The event began at the former temple of San Agustin with tributes paid to the flags of both countries. The national anthems of Mexico and the United States and the Zacatecas March were sung.

Let us listen to the opening of the event and the message Augusto Gomez Villanueva has delivered:

[Begin Gomez Villanueva recording] We are certain this meeting will lead to greater levels of understanding and cooperation. The legislators that make up the Mexican delegation are quite satisfied to be able to continue with this rich, political tradition that has been instituted like a bridge of understanding. [end recording]

Participants will discuss important issues such as immigration and human rights, cooperation to fight drugs, extradition treaties, and political affairs of the hemisphere, particularly the case of Cuba.

Let us listen to Humberto Roque Villanueva, president of the Permanent Commission of the Chamber of Deputies and president of the Mexican delegation, talking about the immigration problem:

[Begin Roque recording] It is of an origin that is absolutely economic in nature. He who migrates seeks an income and is not thinking about destabilizing the border; that is why we sincerely think the migration issue cannot be discussed if it does not include the human rights side. [end recording]

Mexico: EZLN To Reconsider Participation in Peace Talks

PA0705160796 Mexico City Radio Red Network in Spanish 2300 GMT 6 May 96

[Report by Alejandro Ruiz; from "The Night Monitor" newscast]

[FBIS Translated Text] The General Command of the Zapatist National Liberation Army [EZLN] will reconsider their participation in the round of talks at San Andres Larrainzar, Subcommander Marcos said this morning in [word indistinct], after learning about the judge's ruling in regard to Javier Elorriaga and Sebastian Etzin.

During a meeting with members of the Harmony and Peace Commission [Cocopa], who came to the jungle to fine-tune details of the national forum on democracy and justice, Subcommander Marcos said he had ordered all Zapatist units to be ready and alert to any decision by the EZLN leaders since they have understood the government's message.

[Begin Marcos recording] We want to acknowledge receipt of the message. We understood its meaning. At present, our brother heads of the Clandestine Indian Revolutionary Committee - General Command of the Zapatist National Liberation Army [CCRI-CG] are holding a meeting to assess the situation and reconsider their participation in the dialogue in San Andres.

In my position as military commander of regular and non-conventional forces and complying with the orders of the CCRI-CG, I have issued the necessary orders to all EZLN units to be ready and alert to the decision of our leaders.

All along, the government has used the San Andres dialogue to gain time and find the best position to reinstate a war. This is only confirmation of what Zapatist delegates have been denouncing over and over. [end recording]

In this regard, Rodolfo Elizondo, senator of the National Action Party [PAN] and president of Cocopa said that in fact the ruling against Elorriaga brings about the supposition that an alleged EZLN member is a terrorist, subsequently, that all EZLN members are terrorists; however, they have not engaged in this type of activities.

Bishop Samuel Ruiz Garcia, head of the National Mediation Commission [Conai] said the ruling against the two alleged Zapatists sends a double message to the EZLN: That the dialogue is useless, and that being a rebel means being a terrorist. This situation is unacceptable to the Zapatists, who will be absent from the talks until an explanation is issued.

The plenum of the Conai will meet on 6 May and will release a more detailed report on the tense situation that prevails at present.

Meanwhile, thousands of EZLN supporters are leading a march and will begin a 48-hour sit-down to demand the release of Javier Elorriaga and Sebastian Etzin. Most of them, peasants from various municipalities in Chiapas are chanting slogans against the government, Judge Juan Manuel Alcantara, and the PGR [Office of the Attorney General of the Republic].

Mexico: Secretariat Issues Communique on Chiapas

PA0705190996 Mexico City XEW Television Network in Spanish 0300 GMT 7 May 96

[Report by Daniel Flores Meneses; from the "24 Hours" newscast]

[FBIS Translated Text] [Anchorman Jacobo Zabludovsky] The Government Secretariat today issued a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

communique regarding the conflict in Chiapas State. The Government Secretariat stated that the ruling on Jorge Javier Elorriaga Verdegue's and Sebastian Etzin's guilt on various crimes falls into the jurisdiction of the federal judicial branch, which is an autonomous and independent entity that makes its own decisions. The Government Secretariat stated that the executive branch can neither violate the law, ignore the decisions of another government branch, or negotiate with the law even if doing so involves achieving peace in Chiapas, an objective that Mexicans have been longing for. The Mexican Government, the communique said, whose determination is to maintain a state of law as a permanent reality, cannot possibly take actions beyond legally established provisions. A few hours ago, Government Secretary Emilio Chuayffet reiterated the resolve to maintain peace talks to solve the conflicts in Chiapas.

[Flores] Chuayffet met this Monday afternoon with members of the Chiapas Harmony and Peace Commission [Cocopa], with Chiapas State Governor Julio Cesar Ruiz Ferro, and with Marco Antonio Bernal, who leads the government delegation for peace talks in this southern state. At the end of the meeting, Cocopa spokesman Deputy Rodolfo Elizondo Torres of the National Action Party said the following:

[Begin Elizondo recording] The Government Secretariat is very eager to find a legal and political solution to this situation along with the Cocopa. [end recording]

The lawmakers did not make further comments because they will meet again this Tuesday with the government secretary. Moreover, they stated that there are no divisions within the Cocopa. They added that Senator Heberto Castillo's withdrawal from this congressional commission will be officially announced on Tuesday. They will prepare a reply on this report for the PRD [Party for the Democratic Revolution] senator [as heard]. Later, Chiapas State Governor Julio Cesar Ruiz Ferro arrived to the Government Secretariat, but he made no comments. In addition, Marco Antonio Bernal, government negotiator for peace talks in San Andres Larrainzar in Chiapas, who would not make any comments either until this Tuesday when they will meet again at the Government Secretariat.

Mexico: PAN Said To Abstain From Electoral Reform Vote

PA0705155496 Mexico City EL FINANCIERO in Spanish 3 May 96 p 37

[Report by Rodolfo Montes — received via Internet]

[FBIS Translated Text]

There Will Be No Electoral Reform Without the PAN [National Action Party]

Without missing a beat, Felipe Calderon Hinojosa, the young president of the PAN's National Executive Committee, said after meeting with Government Secretary Emilio Chuayffet Chemor: "It is very probable that the PAN will abstain from the voting that will take place in the Congress of the Union to approve the electoral reform recently agreed among national leaders of the PRI [Institutional Revolutionary Party], PRD [Party of the Democratic Revolution], and the PT [Labor Party].

He stated: "Those who believe that the necessary legislative majority for this reform has already been secured, are mistaken, especially so without the PAN's participation."

In fact, he added: "I am skeptical that a majority vote may be obtained to approve the electoral reform" that has taken several months of negotiation and intense dialogue between the national leaders of the PRI, PRD, PT and the Government Secretariat.

Interviewed in the corridors of the Government Secretariat after he met for an hour with the secretary responsible for the country's interior policies, Calderon Hinojosa clarified that this meeting, like others with Emilio Chuayffet Chemor, does not mean the virtual return of the PAN to the dialogue table to reform the state.

He said that his meetings with the government secretary are a mere compliance, an obligation, and a right, but pointed out that until the Huejotzingo case is properly solved, the PAN will firmly maintain its position despite President Ernesto Zedillo's call to return to the negotiating table.

Felipe Calderon said that his talks with Emilio Chuayffet served to propose solutions to the postelection problems in Huejotzingo, Puebla, among which the resignation of the authorities and the forming of a municipal council stand out.

The national PAN leader said that he told the government secretary that in the event this case is not properly resolved and local authorities do not show some sensitivity to find a definite remedy to the Huejotzingo case, a much greater tragedy could take place there.

But the PAN leader said that Chuayffet Chemor only said that the Huejotzingo case involved merely local affairs.

He also said that it is unlikely that agreements could be reached with a PRD parliamentary faction in the Chamber of Deputies on the approval of the electoral reform in view that the PRD deputies used physical

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

violence against the PAN legislators during one of the last sessions of the ordinary period in the San Lazaro Legislative Palace.

Lastly, Felipe Calderon Hinojosa announced that today the PAN's National Executive Committee plenum will meet to continue studying the Huejotzingo problem and determine the actions that will be taken until the obstinacy of current Puebla Governor Manuel Bartlett Diaz is overcome.

Mexico: Attorney General's Report on 1995 Drug Operations

PA0705143396 Mexico City LA JORNADA in Spanish 3 May 96 p 1

[Report by Juan Manuel Venegas — received via Internet]

[FBIS Translated Text] A report from the National Systems and Statistics Directorate, a section of the Attorney General's Office (PGR), indicates that one of the most frequently perpetrated federal crimes is drug trafficking.

The office reported that members of the Federal Judicial Police (PJF) and the National Counternarcotics Institute (INCD) carried out 12,773 narcotics operations in 1995, and 36,890 of the 103,000 preliminary investigations dealt with drug-related crimes.

Also, 246 properties, 3,863 vehicles, 194 aircraft, 48 boats, 1,952 pieces of jewelry, and 9,268 weapons owned by alleged drug traffickers were confiscated during that same year. Meanwhile, 1,267 PGR officials received administrative sanctions or were dismissed — 598 of these (the highest figure) were PJF agents.

The thick file, which contains information on "important areas within the PGR," refers to the total number of preliminary investigations; and it states that the PGR districts with the largest number of open files on drug trafficking are Mexico City's metropolitan area and the states of Jalisco, Sinaloa, Baja California, and Nuevo Leon.

By regions, the document included the states of Baja California, Baja California Sur, Coahuila, Chihuahua, Durango, Nuevo Leon, Sinaloa, Sonora, Tamaulipas, and Zacatecas in the north zone. It specifies that 3,015 preliminary investigations were carried out in these states in December 1995 and that 44 percent of them were drug-related.

Moreover, 1,321 preliminary investigations were carried out in the southern zone (Campeche, Chiapas, Guerrero, Michoacan, Morelos, Oaxaca, Quintana Roo, Tabasco, Veracruz, and Yucatan), and 35 percent of these were drug-related.

In the central zone (Aguascalientes, Colima, Federal District, Guanajuato, Hidalgo, Mexico, Jalisco, Nayarit, Puebla, Queretaro, San Luis Potosi, and Tlaxcala) 6,292 preliminary investigations were carried out during the month of December 1995, 26 percent of which were drug-related.

The preliminary investigation report (in addition to drug trafficking, it adds the possession of weapons, abuse of authority, embezzlement, fiscal crimes, and contraband, among others) indicates the backlog registered only in the November-December 1995 period:

In the northern zone, 1,777 preliminary investigations "on various crimes" are still pending, and only 659 have been solved, while 1,043 preliminary investigations on drug-related crimes are still pending, and 539 have been solved.

In the southern zone, it warns that 914 investigations "on various crimes" are still pending, and 363 have been solved; adding that 291 investigations on drug-related crimes are still pending while 192 have been solved.

Lastly, referring to the central zone, 4,614 preliminary investigations on "various crimes" are still pending, and 1,760 have been solved; while 946 investigations on drug-related crimes are still pending, and 747 have been solved.

Regarding actions by PGR officials, who perpetrated some irregularity, the document indicates 88 of the 1,267 sanctions resulted in dismissals, and 67 of these involved PJF agents.

The document states that, with regard to sanctions, 70 officials (22 PGR agents, 38 PJF agents, and seven administrative employees) were declared unfit; 10 PGR agents, 67 PJF agents, and nine administrative employees were dismissed; and 57 PGR agents, 75 PJF members, and five administrative employees were temporarily suspended.

Likewise, 85 PGR agents, 47 PJF agents, and 25 administrative employees were admonished; and seven PGR agents, 45 PJF agents, and 54 administrative employees were either dismissed or declared unfit; and 23 PGR agents, five PJF agents, and eight administrative employees received "warnings."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Honduras

Honduras: Mercosur-Central American Free Trade Zone

PY0705133696 Buenos Aires TELAM in Spanish 0049 GMT 7 May 96

[Report by unidentified special correspondent]

[FBIS Translated Text] Tegucigalpa (Honduras), 6 May (TELAM) — President Carlos Menem emphasized today at the Honduran Congress the proposal of establishing a free trade zone between the Central American countries and Mercosur [Common Market of the South]. He briefly summarized his government's reforms since 1989.

"If we have achieved a free trade zone with Chile, why not establish a free trade zone between the Central American countries and Mercosur," Menem told the Honduran congressmen who went to Congress to listen to the Argentine president.

The president said: "I want to thank you for your presence and also embrace you in the name of our nation." He added: "I want to thank you even more for your reception because, as it happens in Argentina, I know it is very difficult for so many congressmen to meet on a Monday." The participants laughed at Menem's remark.

Upon describing the reforms implemented in Argentina, Menem emphasized the state and economic reforms. He said: "These two reforms have produced a stability that now begins a growing period."

The president emphasized: "We support an effective and solidaristic state, and not a patronizing state." He told the congressmen: "Following these reforms, Argentina is seeking its proper place among nations."

Elaborating on Mercosur, Menem recounted the signing of free trade agreements with Chile and the agreement signed with the EU in December.

Changing the subject, Menem confirmed the Argentine Government's sovereignty claim on the Malvinas Islands, mentioned the White Helmets' initiative, and emphasized the stance of establishing "a free trade zone involving the entire Americas."

Honduras: 'New Period' in Honduran-Argentine Relations

PY0705150696 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0054 GMT 7 May 96

[FBIS Translated Text] Tegucigalpa, 6 May (AFP-NA) — At the start of his tour of three Central American nations, President Carlos Menem today anticipated the beginning of a "new period" in relations between Argentina and Honduras.

In his initial remarks to journalists since his arrival in Honduras on the morning of 6 May, Menem said: "I am very happy to be in this marvelous country." Honduras has serious development problems.

Upon entering the Honduran Congress, surrounded by a large entourage, a cheerful Menem said: "After this visit, I believe we are beginning a new period in our relations." He was enthusiastically cheered by a group of Hondurans, including students from a school named Argentina.

After a private working meeting and a lunch with his Honduran host, Carlos Roberto Reina, the Argentine president this afternoon laid a wreath at the equestrian statue of General Francisco Morazan, a hero of last century's Central American integration.

After a private meeting with Congress President Carlos Roberto Flores, the Honduran president's brother, the Argentine president was scheduled to deliver a speech at the Chamber of Deputies this afternoon.

On the evening of 6 May Reina will decorate the Argentine president with the Order of Morazan in the Grand Cross degree, the Honduran Government's top decoration. At the Foreign Ministry, Reina will subsequently attend a dinner in Menem's honor.

On 7 May Menem will visit the Supreme Court and the Central American Bank of Economic Integration (BCIE) headquarters. Argentina became an extraregional [extrarregional] BCIE partner in January 1995 when it began contributing with $57.6-million in partnership capital.

Menem's visit will end on the afternoon of 7 May, with a joint declaration and the signing of agreements on tourism, drug enforcement, and expedition of migration paperwork.

Menem will travel to El Salvador and Panama on 8 May.

Honduras: Minister on Cooperation, Commerce With Argentina

PA0705224796 San Pedro Sula TIEMPO in Spanish 7 May 96 p 5

[Report by Daniel Serrano]

[FBIS Translated Text] Tegucigalpa — Argentine and Honduran economic officials yesterday agreed to establish closer commercial ties between Central America and the Common Market of the South (Mercosur).

"Regarding commerce, we agreed to establish closer ties between Central America as a whole and the Mercosur

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

as a subregion on the continent," reported Economy Minister Fernando Garcia after meeting with Argentine international cooperation authorities at the government house.

According to Garcia, during the meeting they also made advances on the creation of an Agreement for Reciprocal Promotion and Protection of Investments, which will be signed this month.

Likewise, he indicated, the need to sponsor a center for the promotion of Argentine investments in Honduras was also discussed at the meeting.

"We have talked about technical cooperation projects for the Economy Secretariat aimed at strengthening the National Council for Small- and Medium-Level Enterprises," he added.

Garcia said Argentina is also interested in strengthening the Honduran economy's social sector, through the OAS' Social Studies Institute, which is headquartered in Buenos Aires.

Likewise, the South American country's authorities offered their support in the financing of negotiations with the Inter-American Development Bank (IDB) and the World Bank, through preinvestment studies carried out by Argentine consultants.

The officials said Argentina's horizontal cooperation currently totals more than 100 technical aid projects.

He said: "One hundred (projects) are being implemented and there are 28 or 30 new applications, which are all eligible.... it is surprising to see that they are considering 96 percent of the applications with very positive expectations."

Nicaragua

Nicaragua: CIAV-OAS Presence Extended for Additional Year

PA0605145296 Managua LA PRENSA in Spanish 3 May 96 pp 1, 12

[Report by Cesar Ubeda Bravo]

[FBIS Translated Text] Yesterday, the National Assembly approved by 47 votes a resolution to extend the presence of the CIAV [International Support and Verification Commission]-OAS in Nicaragua for an additional year. According to the deputies, it will instill more confidence in the electoral process, especially in the 26 municipalities where the rearmed groups operate.

According to the resolution, CIAV-OAS will remain in the country until 31 May 1997. The draft resolution initially considered a six-month extension, which would have ended in January 1997. Once the extension is approved, President Violate Barrios de Chamorro will have to make a petition to the international organization.

Liberal Constitutionalist Party (PLC) Deputy Victor Manuel Talavera was surprised by the position taken by certain collengues who did not support the CIAV-OAS extension due to reasons of sovereignty. Talvera said: "Part of the strategy against having elections is to not extend the CIAV-OAS mandate and to argue that there will not be elections in 26 municipalities of the country, thus suspending general elections."

The Electoral Tribunal decided that, in the 26 municipalities of the country where the FSLN [Sandinist National Liberation Front] overwhelmingly lost the 1990 elections, a new ad-hoc traditional registration system will be implemented. Approximately 294,300 citizens are expected to register, according to INEC [Nicaraguan Institute of Statistics and Census] data.

Sandinist Renewal Movement (MRS) Deputy Maria Ramirez said she did not know what role CIAV-OAS is performing in Nicaragua and because of this she could not express an opinion on the international organization.

"As far as I know, CIAV-OAS has not submitted an official report on its activities. The only thing I know is what the deputies say. I cannot, therefore, express an opinion," the deputy remarked.

National Action Party (PAN) Deputy Magdalena Ubeda de Rodriguez commented that the CIAV-OAS presence gives confidence to peasants and criticized "false nationalism."

"Let us not fool ourselves that we have the capacity to protect (peasants). That false nationalism will not save the lives of peasants who are murdered or kidnapped and whose wives are raped," Ubeda noted.

The lawmaker stated that the national police and the Army are merciless with peasants, "harassing them and snatching their food."

Deputy Carlos Gallo Osejo said that the National Assembly has to recognize the role that CIAV-OAS is performing in the country.

"We have to acknowledge the contribution that CIAV-OAS has made in Nicaragua, and it will no doubt contribute to the electoral process so that next 10 January there will be a peaceful transfer of power," Gallo said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Nicaragua: 3,500 Men To Guarantee Voter Registration

PA0605182796 Managua Sistema Nacional de Television Network 0130 GMT 3 May 96

[Report by Mari Lourdes Osorio; from the "National Newscast"]

[FBIS Translated Text] The National Army and the Police have started a staggered plan to guarantee the elections in areas where some 52 bands are active. This plan, which will deploy 3,500 men in the first week of June, will guarantee ad hoc registrations in 26 municipalities where the Supreme Electoral Council was unable to issue identity cards on account of the presence of criminal bands.

Approximately 3,500 National Army soldiers will participate in the special plan to oversee the elections process and in the plan to dismantle criminal gangs. Although the Army needs 20 million cordobas to guarantee stability in the countryside, its presence is already being felt in some sectors.

[Begin Colonel Cesar Delgadillo, National Army chief of operations, recording] We have plans to intensify our actions and guarantee the elections. We will have free elections here, and the Army will guarantee with its strength and means the upcoming elections in Nicaragua. Nationwide, in Regions One, Five, and Six, there are 52 bands; in Region One there are 17; in Region Six, 22; and the rest, or 18, are in Region Five. There are remnant armed groups, such as those led by Charro [Ciralco Palacios], Pajarillo [not further identified], and others.

At the church's initiative, efforts are currently under way to get Charro's group to disband, and we hope that they will be successful and that disarmament can take place for the sake of peace and the upcoming elections. [end recording]

The plan, which begins by guaranteeing free transit on the Pan-American Highway, will be carried out in a staggered manner.

[Begin Delgadillo recording] We have a stable presence. We will implement the plan in a staggered manner, as the talks with Charro advance and as we get ready for the first week of June, when the ad hoc voter registration process will be conducted in 26 municipalities where it was not possible to issue identity cards. This will be the first major task the government will carry out the first week of June. [end recording]

The Army will be present in the mountains until February 1997.

Nicaragua: Robelo Said Involved in Money Laundering

PA0705234396 Managua Canal Dos Television in Spanish 1600 GMT 5 May 96

[From the "This Week" newscast]

[FBIS Translated Text] The Italian justice administration has identified Alvaro Robelo as the presidential candidate and banker reportedly involved in a multimillion dollar money-laundering operation. The repercussions from this news item could be devastating for the credibility of the European and Central American Bank (BECA) in Managua.

The Association of Private Banks held an urgent meeting on Tuesday to consider this situation. There is also much concern at the Ocean Bank, of Miami, which is BECA's subsidiary in the United States. BECA's Italian partners, headed by Virgilio Torcilli and Giancarlo Zaracca, will meet in Rome on Friday and later will fly to Nicaragua.

Unless Robelo buys the other partners' shares, there is every indication that the leader of the Up With Nicaragua party will be left out of the game when the bank's Board of Directors undergoes a complete reshuffling.

As for the financial scandal's political consequences, the Supreme Electoral Council has not yet made a pronouncement on Robelo's involvement.

This week, Robelo reacted with an air of grandiloquence saying this is a world plot against him. Conversely, Government Minister Sergio Narvaez was much more direct. He asked Interpol and the Italian justice administration for a detailed report.

The million-dollar question is whether Robelo, who also is an Italian citizen, will dare fly to Rome to clarify his situation with the Italian authorities.

Panama

Panama: Acting Foreign Minister Says Base Talks To Resume

PA0705200596 Panama City Telemetro Television Network in Spanish 1730 GMT 7 May 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] [Ortega] Acting Foreign Minister Ricardo Alberto Arias has said the domestic discussion on the permanence of the U.S. bases will be resumed in the next few days. This discussion will include all parties. The report of economists Galan and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Fernandez, which was recently presented in the absence of the opposition, will be the basis for the discussions:

[Begin Arias recording] The next step will perhaps be government contacts with various political groups, probably on an individual basis, to hold a broader meeting later on. This process aims to achieve the broadest possible consensus on how to handle this matter. I repeat, this is not a partisan issue; it is not an issue pertaining to a government. This matter pertains to all Panamanians, to several generations. [end recording]

The ambassador said he hopes Foreign Minister Lewis Galindo will recover and return to the country in a few weeks. Arias refused to say whether he would accept the post should Lewis Galindo's health not improve:

[Begin Arias recording] First, the foreign minister's health will improve. The foreign minister will return. You can rest assured. Second, I do not think the foreign minister's ailment is delaying any of the processes related to the possible presence of the United States here beyond the year 2000.

The negotiations are not at a dead-end. Panama is involved in a domestic negotiations process. I do not think this is important, because this situation was expected six months ago. The United States took the first step, and I do not think this issue has any importance at this time. [end recording]

As for the appointment of Alberto Aleman as new canal administrator, the ambassador said this process is virtually complete, but he pointed out a final decision will not be made for about three months.

Meanwhile, the national government this week expects the arrival of Argentine President Carlos Menem to consolidate commercial and political relations with that country.

Panama: Base Talks Said To Remain 'Deadlocked'

PA0405190796 Panama City ACAN in Spanish 1713 GMT 3 May 96

[FBIS Translated Text] Panama City, 3 May (ACAN-EFE) — A Southern Command source said today, Friday, that the talks between Panama and the United States on the possible permanence of the military bases in the Canal beyond the year 2000 remain "deadlocked," following the unilateral decision of the Panamanian Government to suspend them.

Arturo Merkerl from the Pentagon's Southern Command, which maintains approximately 7,500 troops in about 10 defense sites, told ACAN-EFE today, "There are no definite dates set to resume the exploratory talks, and each one of the parties involved is studying alternatives in this regard."

According to the "Torrijos-Carter" treaties signed in 1977 by the two countries, which are Canal associates, the last U.S. soldier should leave Panamanian territory by noon on 31 December 1999.

Merkerl said the U.S. authorities are awaiting a Panamanian reply on the resumption of the talks following the conclusion of a study by two distinguished economists, which was ordered by the Panamanian Government to determine the feasibility of a military presence in Panama in the next millennium.

According to the study, Panama will lose $179.2 million a year with the closing of the military bases and the departure of the soldiers at the end of the decade.

The study conducted by economists Marcos Fernandez and Jose Galan Ponce was presented last March by Foreign Minister Gabriel Lewis Galindo, who said this will open up the opportunity for citizens to evaluate the impact of the U.S. military presence in Panama.

The authors of the study said the military use of the bases, covering approximately 32,000 hectares on the banks of the Panama Canal, is not the best from the economic point of view, and there are more profitable alternatives.

The Panamanian Government decided at the beginning of the year to suspend the exploratory talks with the United States when Washington announced that it was unwilling to pay rent for the bases on the Canal.

The Panamanian authorities believe the military installations, which the United States will turn over to Panama before the year 2000, could become great industrial and commercial centers located only a few meters from the interoceanic Canal.

Arturo Merkerl said that while Panama and the United States study the possible resumption of the talks on the matter, a private construction company placed the cornerstone of what will be the new headquarters of the Southern Command in Miami (United States).

He added that the new Southern Command headquarters should be ready no later than September 1998 and that a majority of the civilian and military personnel in Panama should be settled in Miami by August 1997.

For the time being, the U.S. Army South maintains approximately 7,500 troops in Panama, which will be leaving the country gradually as the year 2000 approaches.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Panama: Alliance Comments on Study on U.S. Bases

PA0405215696 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Apr 96 p A-8

[FBIS Translated Text] The National Civic Alliance [ACN] has made the following observations regarding the report produced by economists Fernandez and Galan Ponce on the economic impact that could result from the closure of U.S. military installations by the year 2000:

1. The country needs an overall study on the social, political, and institutional impact, as the authors of the report themselves pointed out. This, in addition to the economic impact, which only gives us a partial view of the truth.

2. There are some contradictions between the text and figures on maintenance costs presented in some charts. For example, in reference to Ft. Sherman, it is said that maintenance costs "are very high," as is the cost of preventing land occupations, leading to the conclusion that a U.S. presence on that base is necessary. On the other hand, Chart 12 shows that Ft. Davis, Ft. Espinar, Ft. Clayton, Kobbe, and Rodman have higher maintenance costs. However, no recommendation is made for renegotiating those bases; instead, the report suggests that they be used for some productive purpose. Panamanians are aware of U.S. military interests in Ft. Sherman, which is the only U.S. base where U.S. soldiers are trained in jungle survival. That explains U.S. interests in maintaining the biodiversity, which according to the report would also represent a high cost for Panama.

3. The maintenance cost figures seem to be inflated. The report implies that by the year 2000, the ARI [Interoceanic Region Authority] will have to assume all maintenance costs. Therefore, the evaluation gives no credibility to the widely-publicized projects that according to the ARI are already in progress as a result of its efforts and trips abroad by government officials.

4. According to documents published by the U.S. Department of Defense, the value of the military installations in Panama is seven times larger than the figure given by economists Fernandez and Galan Ponce. Therefore, it is pertinent to ask if U.S. estimates include the residual value, which unfortunately our negotiators accepted in the Panama Canal Treaties, which will expire on 31 December 1999. In that case, this would pose a problem for Panama, which would have to be resolved prior to any negotiations. Otherwise, we would begin those talks already with a debt, and any negotiation on the bases would be conditioned to having to pay that residual value. We should remember that on various occasions, the United States has said that if it decides to stay, it will not pay a cent.

5. The economic estimates presented in the report lead to the conclusion that based on the cost-benefit relationship, the development of the bases into an economic productive center would be profitable. Based on those conclusions, real profits could be flowing for six five-year periods after the year 2000, because "after applying a real 10-percent annual discount, the actual net value of the income by the year 2000 will be $148.5 million, and the internal rate of return will be 13.3 percent." We find it strange that this information is given in only three lines and that this positive aspect is not highlited or commented on further. On the contrary, the report stresses the negative consequences that could be expected if, complying with the treaties, the United States closes the military bases by 31 December 1999.

Panama: Former VP Assesses Study of U.S. Bases

PA0505204596 Panama City EL PANAMA AMERICA in Spanish 5 May 96 p 6A

[Article by Ricardo Arias Calderon, former vice president and leader of the Christian Democratic Party: "Economic Evaluation of the Withdrawal of the Bases: Content and Opinions"]

[FBIS Translated Text] The "Economic Evaluation of the Withdrawal of the Military Bases" drafted by independent economists Marcos Fernandez and Jose Galan Ponce helps provide a basis for the national debate over an issue that is very important for the fate of the nation. Even though I am not an economist, I will venture to give my opinions in good faith.

The important part of the document is the analysis containing the benefits and economic costs of the reversion of the bases. The authors, however, fail to conduct the analysis within the context of the national economy and its probable tendencies, meaning they provide no estimates of the impact on the national economy of the benefits and costs of the reversion. They do not evaluate, for example, how the creation of new jobs in the five-year period following the reversion will probably affect the employment rates in the country. This part is lacking.

In addition, the evaluation of the benefits gives rise to doubts. While there are 10 areas that economists believe will be used 100 percent during the first five-year period, there are two very important and extensive ones — Fort Sherman and Howard Air Force Base — where only 2 and 5 percent, respectively, of the areas will be used.

The authors are right to point out that the use of the areas in question for military purposes "does not represent the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

best economic benefits for the country." As for Howard, which has some of the most valuable installations, the economists say that "its economic benefits will only be seen in the long run given the current degree of idleness at Tocumen Airport." This explanation is insufficient.

As for Sherman and Howard, they draft one of the fundamental conclusions of their study in the following terms: "The country can, without adversely affecting their overall economic use, seek agreements to share the use of the bases without the need to maintain the military base concept as long as the military uses can pay for the maintenance costs and as long as there are compensations that can increase the economic benefits drawn from the use of these assets in their entirety."

We get the impression that the authors and those they consulted on the subject (executives from the Nathan-Intercarib Consortium and Interoceanic Region Authority) either did not explain themselves sufficiently well or have restrained themselves regarding their considerations on the short-term productive potential of these areas in order to promote a type of ambiguous mixed use of the bases, half military and half economic. They really do not convince anyone.

In addition, an economic concept prevails throughout their analysis of the economic benefits that concentrates on the sum of the investments that can be made, the investment returns, and the number of jobs that could be created. Without trying to discredit these considerations, it is worth noting that the broadest description of the goals of an economy is the satisfaction of human needs with limited resources. That is why it is important to include as an economic benefit, the alternate use of these areas and bases as a means of responding to the social requirements of the population and communities. Even though the study mentions the availability of housing and the opportunity of establishing ecological reserves, the study does not explicitly consider this dimension of the economic benefits.

I do not suggest we reach the First World by force, but that we achieve a sustained growth with social equality in a Panamanian experience of human development.

At any rate, the study conducted by Fernandez and Galan clearly shows the magnitude of the national effort that is necessary to tap the potential benefits of the reversion of the bases. Our experience since the signing of the 1977 Torrijos-Carter Treaties during the dictatorship years has been very deficient in this regard. Since its creation, the Interoceanic Region Authority [ARI] has not shown a sufficient operation capability. In the best of cases, the overall plan for the use, conservation, and development of these areas will definitely not be approved before the end of the year. There are still very few specific market and feasibility studies.

It all indicates that if we want to improve on the average theory regarding the use of these areas and the reverted properties, we need the government and the opposition to show a real commitment to reach a national agreement on all state policies in this regard, regardless of disagreement in other issues.

In addition to examining real profits, which they estimate at $132 million per year between 2000 and 2004, Fernandez and Galan also examine the costs of the base reversions. They claim, "The economy will lose real income of approximately $179.2 million per year during the first five-year period: $25.2 million in net wages, $144 million from the sale of goods and services, and an additional $10 million in maintenance expenditures."

What is not clearly explained is that most of these costs are unavoidable. The study never contemplates the possibility that the United States may have an interest in maintaining all of the current bases with the current number of troops; it only notes the possibility of a limited number of bases with a small number of troops.

It is important for the authors to insist on the urgency to determine the maintenance costs of the reverted properties to ensure their long-term social and economic profitability and to avoid additional losses due to their deterioration. It is important for them to warn us about the financial and political difficulties in meeting this objective of maintaining the areas, especially because we have not done so until now. As a people and as a country, we cannot postpone the decision to assume responsibility for our own interests. A necessary change of attitude will only take place to the extent that we are forced to do so. No one learns to run down the path of history if one keeps walking on crutches.

Despite the reservations they may produce, the tentative results reached by Fernandez and Galan are, in their technical language, "that the current net worth of the benefits minus a 10-percent annual maintenance cost up until the year 2000 is $148.5 million and the investment return rate is 13.3 percent. In other words, the value of the benefits minus the costs, both considered, leaves a positive balance, which means the reversion is a good deal for the country. The study, in itself, does not economically justify a negotiation for the permanence of the bases.

We would have to receive a substantial economic compensation, which no one has determined or firmly proposed, so that, under purely economic criteria, we could draw a different conclusion and then we would

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

still have to conduct an evaluation bearing the other criteria in mind.

Panama: Hotel Group Head on Impact of Troop Withdrawal

PA0505210896 Panama City EL UNIVERSAL DE PANAMA in Spanish 5 May 96 p 36

[Report by Blas Arrocha]

[FBIS Translated Text] Miguel Cortes, president of the Panamanian Association of Hotels (Apathel), has said a significant reduction in the number of U.S. troops in Panama will mean the number of hotel employees in Panama will probably be reduced by almost 80 percent. He added that this should awaken those who have been accustomed to having a guaranteed U.S. market.

Cortes has said the positive part of this is that it will force hotels to awaken to the reality of tourism and to change the mentality of having fixed quotas in the market.

On the relationship between the withdrawal of U.S. military bases and the resulting reduction in the number of hotel rooms that will be occupied, he has said that the figures are not available yet but that the rate could drop by approximately 7 percent.

Approximately 15 to 20 percent of the hotel rooms in Panama are occupied because of a U.S. presence, but the impact of the new situation has to be determined.

Cortes has said that part of the clientele will be lost as a result of the imminent reduction of U.S. personnel at U.S. bases. He has said the hotel industry must seek new markets.

On another subject, regarding hotel security he has said that according to the law, the police have access to and have the right to request a list of hotel guests at any time.

About the drug trafficking problem, he has said that Apathel's opinion is irrelevant, adding that the United States should do more to reduce drug consumption in that country.

There are 14 military bases in Panama that will revert to Panama in compliance with the 1977 Torrijos-Carter Treaties, which stipulate that the Canal will be turned over to Panama on 31 December 1999.

Panama: Government Said Postponing 'Frank' Talks on Bases

PA0605210096 Panama City EL UNIVERSAL DE PANAMA in Spanish 5 May 96 p A18

[Editorial: "The Military Bases"]

[FBIS Translated Text] The U.S. military presence in Panama is a controversial issue for Panamanian society. While Panamanian President Ernesto Perez Balladares insists that there will not be a renegotiation without a national consensus, the United States maintains the thesis in favor of the permanence of bases beyond the year 2000.

Different positions on this issue have been expressed, from the initial bases workers movement to the report from economists Galan and Fernandez recommending the military presence, which prompted a negative reaction.

Now the possible beginning of talks to allow the bases to stay for 10 to 15 years after the year 2000 has been announced, while some experts recommend that these facilities be used for industrial purposes, to establish assembly plants, for tourism exploitation, and marketing centers, with an irritating aspect: A clause of the Canal Treaties allows the United States to receive compensation for investments made in the bases, many of which — infrastructure projects — date back to recent years, after the Treaties went into effect. Some analysts have considered these works as tangible evidence that the bases will not be dismantled.

The government has been postponing a frank discussion on the issue, especially after recent polls showed public opinion is equally divided between those who want the bases to stay and those who want them to leave.

Beyond any other consideration, the concept of use-benefit must prevail in the end, establishing what is best for the country, for Panama. This well-documented and substantiated stand will give Panamanians, after a broad national discussion, sufficient elements of judgement to support or reject the official proposal, whatever it may be.

Panama: Patrols Intensified Along Colombian Border

PA0305163596 Panama City LA PRENSA in Spanish 1 May 96 p 3A

[Report by Jose Otero]

[FBIS Translated Text] National Security Council Director Gabriel Castro has stated that additional security

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

measures have been taken along the border with Colombia after receiving a letter allegedly sent by the Revolutionary Armed Forces of Colombia (FARC) about incursions into Panamanian territory.

Castro said that despite the lack of evidence that the letter came from the FARC, officials analyzed its contents and proceeded to intensify patrols along the border.

According to the letter, the FARC is active within Colombia, and their actions do not cross national borders. They assure that out of principle, their military incursions do not spill over into the territories of other countries.

"You can rest assured that the FARC will not carry out any type of aggression against Panamanian military bases," the FARC's letter stressed.

Castro indicated that the National Security Council has coordinated plans with Colombian military security forces, and a decision has been made to conduct joint operations to prevent any surprises.

Panama: Police Lack Equipment To Fight Guerrillas

PA0405131596 Panama City EL PANAMA AMERICA in Spanish 29 Apr 96 p E12

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] National Police Director Jose Luis Sosa revealed yesterday that his institution is ill-equipped to gp after "drug traffickers and guerrilla sites" operating along the Panamanian border with Colombia.

Sosa stated that even though the National Police is "determined" to fulfill its mission anywhere in the country, it lacks the technical equipment needed to carry out its duties.

It is no secret — the official said — that the police lack the adequate armamemts and transportation vehicles required to carry out the tasks of overseeing and controlling illegal activities in the area.

Recently, Gabriel Castro, chief of national security and drug czar, revealed the possibility of additional guerrilla centers operating along the Panamanian border. He also recognized that the "Colombian guerrillas" are highly prepared in war tactics and strategies, which are difficult to counter.

In that regard, Sosa underscored that not even the Colombian Army, which is 50,000-strong, has been able to curb the subversive activities of the guerrillas along the border areas between these two nations. "Our forces are not even one fourth the size of the Colombian Army, so there is little we can do," he said.

"There are 1,250 new recruits now training at the Police Academy. Most of them will be assigned to the Darien region," Sosa pointed out.

Panama: Drug Prosecutor on Cali Group Heir's 'Businesses'

PA0505183796 Panama City EL PANAMA AMERICA in Spanish 3 May 96 p 1

[Article by Juan Manuel Diaz C.]

[FBIS Translated Text] Drug Prosecutor Rosendo Miranda said Cali cartel heir Jose Castrillon Henao established 19 fake businesses — several ones in the Colon Free Zone — to legitimize alleged drug trafficking money.

Miranda said there is definite evidence showing Castrillon Henao as the person "leading" the alleged drug trafficking ring, adding that so far, 8.5 million balboas have been seized from his bank accounts.

Among the businesses under investigation are Master Agencis, Pesqueros S.A., Black Sleep, Proveedora Tecnica, together with tow others, whose names were not revealed, in the Colon Free Zone.

The Drug Prosecutor's Office has divided investigations against the Castrillon Henao organization into 30 files. A number of ships, including Tropic Survivor, El Gringo, Alderaban, and Survivor were credited as the property of Castrillon Henao.

Authorities also seized the speedboats Intrepid-3 and Intrepid-4, as weil as the catamarans Michaelangelo, Orient Express, Nataly-1, Champan, and Maria del Mar, used to ship drugs.

Michael Hansenberger, Cristian Rogler, Gabriel J. Vasquez Escobar, Mauricio Hernandez, and Edna Costanza Polonia are under investigation.

Panama: President Speaks on Tour of Europe, Canal

PA0405234996 Panama City EL SIGLO in Spanish 29 Apr p 32

[Speech by President Ernesto Perez Balladares at the opening of the Annual Conference of Business Executives in Panama City on 25 April]

[FBIS Translated Text] Ladies and gentlemen, the Panamanian Association of Business Executives (APEDE) could not have chosen a more appropriate topic for its annual conference beginning today. Business and the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

economy in modernizing the country could have been a good name for my working tour of Europe. During this tour, I was accompanied by renowned businessmen, among others, APEDE President Ricardo Ortega.

They could reiterate, as I have mentioned, how pleased the European governments and business organizations were that a delegation from a country such as ours included representatives of the government and private sector. Europe understands, more so than people here, that international cooperation no longer means charity. The governments of developed countries encourage private investments in less developed countries rather than making donations, and the task of attracting those capitals is up to countries such as ours.

Individual actions by the government or private sector in this regard are not enough. One and the other carry complementary responsibilities. The government should provide legal security, clear-cut regulations, guarantees for investment, infrastructure, and political stability. The private investor is to bring about investments, consolidate business, and generate jobs.

I believe the success of my working visit to Europe lies in the fact that when the governments and business organizations looked at the agenda and the delegation, they realized beforehand that they were going to deal with a country rather than a political party or private, specific interests; therefore, it is logical that investments and incentives were the main topic discussed with Oscar Luigi Scalfaro, Jacques Chirac, Italian and French presidents respectively, as well as with European Union (EU) representatives.

It is true that Europe today offers more aid for development than the United States and Asia; nevertheless, this does not mean that large reserves of money are available there waiting for someone to ask. Even if they existed, the country could benefit more from promoting investments than from begging for charity. The understanding of cooperation has changed, and those who believe it is possible today to return from a trip with the vaults filled with donations are still living in the past.

Evidently, the issue of investments was closely related to the Panama Canal and the reverted areas. I should add that there was confusion over the possible extension of the U.S. military presence beyond the year 2000 and the transfer of the administration of the Canal; therefore, it was necessary to explain in Europe what is taken for a fact here: That the United States is continuing its commitment to transfer the Canal and that the talks suggested by President Clinton will not affect this transfer in any way.

I believe Europe has shown a real interest in the future of the Canal. We must remember that the EU is the second most regular user of the Panama Canal. While considering the individual percentages of each country's foreign trade, the Canal does not seem a decisive factor in their economies. For example, less than 1 percent of France's foreign trade crosses the Canal, but the economies of many countries with whom France trades depend to a large extent on the efficiency of the Canal. For this reason, we sought the EU pledge to be involved in the updating of studies for Canal alternatives.

The same reaction was displayed regarding the Canal Universal Congress to be held next year. The EU not only has shown a great interest in participating and contributing with resources but French President Chirac personally has told me he will travel to Panama to co-preside over the event. During the congress, Panama will have the opportunity to tell the world what it has repeated here and abroad so many times. Panama will be ready before the year 2000 to efficiently take over operations and the administration of the Canal.

Efforts should not be concentrated, however, on the reverted Canal or areas. The adequate management of public finances, an open process of privatization, and the removal of obstacles hindering investment also represent priorities. Thus, we undertook labor relations reforms that have entailed high political costs. Recent public bids have undoubtedly been impartial. There can be no further doubts that corruption no longer has a place as a common element in transactions, and considerable steps have been taken toward the elimination of bureaucracy.

It is a recognized fact today that part of the unemployment existing in Europe and Latin America is due to rules governing work relations, because they over there have given special recognition to the efforts we have made here to make such relations more flexible, and they also recognize the steps we have taken, as President Chirac has noted, to strengthen and streamline the economy.

I know that the myriad of activities involving the government, the private sector, and the first lady have prevented important agreements that were signed from receiving the prominence they deserved. I am referring particularly to the agreement to restructure the commercial debt. I know you understand how important this is for Panama in terms of image, credit standing, and evidence of the serious manner in which it deals with its international commitments.

The reduction of its debt by nearly $1 billion and the clarification of other commitments are sources of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

satisfaction that would have been cause enough for the presence of the delegation in Paris.

There was a special and unanimous recognition, however, that has profoundly impressed me as a Panamanian: Panama is no longer a nation stigmatized by drug trafficking and money laundering. Quite the contrary, it is viewed as a champion in this struggle. The cartels and mafias have managed to achieve with drugs what the world wants to achieve with its economy: Globalization.

Europe is experiencing the tragedy of drug consumption; thus, it values the efforts countries are making to fight this scourge. The offer I have made to the Rio Group and later to President Clinton to establish at one of the military bases a center to coordinate the entire continent's actions in this war against drugs was met with great receptiveness in Europe. Although it was not my goal in making this offer, it undoubtedly helped change for good Panama's image abroad.

A similar promotional tour to the Orient last year is already bearing fruit. Facts speak for themselves; this is why I do not lose sleep over criticism against the tour, and I understand that they are part of a democracy. I am concerned, however, by the determination of certain individuals and groups to lower the level of the political debate, because this would hurt in one way or another the image of the country we all want to project: A mature country in which political differences are settled through debates and elections, not with insolence and insults. I as president do not seek to receive unanimous approval of my administration. As a Panamanian, I would like my opponents to confront me in the arena of ideas instead of using senseless and petty diatribes, because the country would benefit.

Since the start of my administration I set out to modernize economic structures and to attract the investments Panama needs. I have not rested in this effort. The measures that we have adopted here need to be disseminated abroad in order to achieve the desired effects either because they are unknown or to dispel doubts. One cannot promote what one lacks or hide what one has achieved.

I do not wish, however, to just point out recent achievements. We still have many tasks ahead of us. APEDE has, in fact, permanently shown an interest in strengthening the tourism sector. We have great potential but also great shortcomings. Several laws were issued to promote tourism, and I am willing to fully review the current system to determine whether it is reaching or will reach the goals for which it was established.

I am equally open to other sectors of the economy. Allow me to elaborate. The laws we have issued were not the product of improvisation, but this does not mean they are unchangeable. Frequent changes of rules governing an activity run counter, however, to the juridical security we aspire to create.

I do not cling irrationally to decisions and do not like to promise what I cannot deliver; this is why I have said I am willing to make the necessary reviews, and anytime a mistake is pointed out to me I will be the first one to admit it. You will not see me, however, proposing law reforms to the Legislative Assembly, creating new institutions, or reforming existing ones unless a need to do so is fully demonstrated.

Fortunately, the channels of communication are and will remain open between associations and the government. After all, our interests and goals do not contradict each other; they complement each other.

Dear friends, Panama will join the WTO in a few months, and this move will constitute a very important step in the participation in the economic reality of the new world. The step of which I am proudest is, however, that the government and private sector together were able to portray across the ocean the image of a country that has begun to change.

Panama: Cuban Envoy on Bilateral Trade, Helms-Burton Law

PA0405162996 Panama City EL UNIVERSAL DE PANAMA in Spanish 29 Apr 96 p 44

[Report by Michell de la Ossa]

[FBIS Translated Text] Cuban Ambassador to Panama Carlos Mas Zabala referred to the recently approved Helms-Burton law and said "the Panamanian Government cannot force businessmen to trade with one country or another." The diplomat said trade is not ruled by government decisions. This is the case with President Ernesto Perez Balladares' recent trip to Europe, where the government acts as facilitator but the businessmen complement the action by attracting investments.

Asked about Panama's position regarding the Helms-Burton law, Mas Zabala said Panama has maintained "a dignified and courageous" attitude, which shows the country cannot be told with whom it can trade.

He added that trade relations with Cuba remain stable, and this is reflected in the first quarter of 1996, which shows an increase compared with the same period last year.

Likewise, he said you cannot evaluate a law approved in March because its effects cannot be immediately seen.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The ambassador said the law has yet to be implemented because it only has a series of general guidelines, and this makes its enforcement impossible.

Meanwhile, Mas Zabala said the Cuban Embassy in Panama is trying to find a formula that allows a much more "domestic" trade, meaning with national products.

The essential characteristic of trade between the two nations is that it occurs with non-Panamanian products, meaning through the Colon Free Zone, the ambassador indicated.

Mas Zabala said this trade does not increase Cuba's national production or Panamanian production.

The diplomatic mission is currently seeking Panamanian products that can be useful in the Cuban market.

The diplomat said Cuba is interested in the local production of clothes. Panama is interested in the Caribbean island's marble, citrus fruits, as well as the construction of low-cost housing.

He also said that alternate trade, like in the mining sector, is being investigated. He emphasized Cuba's capability to conduct geological studies in this sector.

Panama: Taiwan Minister Attends Export Zone Opening

OW0705111996 Taipei CNA in English 0902 GMT 7 May 96

[By Flor Wang and Edward Chen — received via Internet]

[FBIS Transcribed Text] Fort Davis, Colon, Panama, May 6 (CNA) — Panamanian President Ernesto Perez Balladares and ROC [Republic of China] Economics Minister P.K. Chiang on Monday [6 May] jointly officiated at the ground-breaking ceremony of the Fort Davis export processing zone [EPZ].

Fort Davis, a former U.S. military base which was returned to Panama late last year, will be jointly developed by the ROC and Panamanian Governments.

Also present were Panamanian Minister of Industry and Commerce Nitzia de Villarreal and Administrator of the Regionally Interoceanic Authorities Nicolas Barletta.

More than 500 dignitaries, including Acting Foreign Minister Ricardo Alberto Arias, Economic Planning and Policy Minister Guillermo Chapman, officials of the ROC Embassy in Panama, leaders of local Chinese communities and a 100-member ROC trade mission, witnessed the ceremony.

Barletta said that the ground-breaking ceremony marks the result of joint efforts and cooperation between the people of the two countries.

The planned EPZ will cover 120 hectares and will be developed in two phases. The first phase will cover 30 hectares and the second phase will cover 70 hectares. The rest 20 hectares will be used for housing EPZ administration officials and employees. The EPZ is expected to create 12,000 job opportunities.

Chiang said relations between the two countries are cordial and called Panama a strong ally for the ROC in Central America.

The geographic distance between the ROC and Panama, Chiang said, has been cut short after EVA Airways opened direct flight services between Taipei and Panama last December.

Over the past five months, more than 800 Taiwan entrepreneurs visited Panama to observe the investment climate here, he added.

Panama: Taiwanese Businessmen Demand Investment Security

PA0705220496 Panama City Telemetro Television Network in Spanish 1730 GMT 6 May 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] Taiwanese businessmen who will begin operations in Fort Davis have asked juridical security from the Panamanian Government as a guarantee for their investments. The aforementioned statements were made by Ping-kun Chiang, Taiwanese minister of economic affairs, who, together with a delegation of officials, is visiting our country. Last night, he held the first contact with Panamanian officials and businessmen. Here is the report:

This is the eighth visit by Taiwanese businessmen and officials in 1996. But, as opposed to the previous visits, this visit is especially important, according to the Panamanian Government.

[Begin Acting Foreign Minister Ricardo Alberto Arias recording] This is an important visit, because it paves the way for formalizing the activities and industries that will establish themselves in Fort Davis. After this has been accomplished, we are confident other investors will come. [end recording]

Ping-kun Chiang, Taiwanese minister of economic affairs, is presiding over a delegation of 67 businessmen to place the cornerstone of the future industrial zone in Fort Davis.

According to the acting foreign minister, the delegation includes approximately 20 businessmen who will sign a letter of intent to establish their enterprises in said industrial area.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin Arias recording] This will enable them to reach the initial accords to begin internal contracting for constructions as well as to obtain the supplies they may need to begin operations. I believe they will begin their operations in Panama within a few months. [end recording]

At a dinner party given by the Foreign Relations Ministry to honor the high-ranking Chinese official, a toast was made for the success of investments in Fort Davis. But when making statements, the Taiwanese minister of economic affairs also requested guarantees for said investments, such as the juridical and political security of the country.

[Begin Arias recording] The minister stated that juridical and political security are required for the investments to be successful. In Panama, we have both juridical and political security. As a result, they are coming to settle here. [end recording]

The Taiwanese minister added that his government has created an office for the promotion of foreign investments, Panama being the country chosen to begin that process in Central America. In addition to the businessmen, Minister Ping-kun Chiang was accompanied by the Taiwanese Ambassador to Panama Ping-cha Su. Panamanian ministers of state, Foreign Ministry officials, and businessmen also attended this dinner party with the Taiwanese business delegation.

Panama: Taiwanese Minister Announces Promotion Project

PA0705232196 Panama City LA ESTRELLA DE PANAMA in Spanish 6 May 96 p A1

[Report by Esteban Huertas]

[FBIS Translated Text] Taiwanese Economic Affairs Minister Ping-kun Chiang said last night that Panama will be Taiwan's largest promotion project, which will be established in Fort Davis.

According to Chiang, the project that the Taiwanese Government is promoting will include the manufacture of products in Panama for export to international markets. Chiang underscored that the presence of the president of the "Overseas Investment and Development Corporation" in Panama has attracted the attention of Taiwanese businessmen so that they look beyond the Central American countries.

Chiang told business and governmental authorities that the reforms that have been implemented at all levels in Panama are aimed at providing legal security to foreign investors and a free trade policy that will facilitate production in the private sector.

Meanwhile, he pointed out that the current Panamanian Government has offered to help to solve any problem that might be encountered by foreign investors.

He told reporters that investors do not only seek profits, but they also seek to establish a friendly relationship that might serve as a bridge to implement bilateral relations between both countries.

Because of its geographical position, Panama could be the main base from which Taiwanese corporations could export Taiwanese products to Central America and other countries in the hemisphere, he said. He also said that Panama could share in the experience and economic miracle that Taiwan achieved in the past 40 years.

The minister further said that seven delegations of investors have visited the country and that the eighth delegation is scheduled to arrive in a few months.

Finally, the Taiwanese minister said that the territory is a port of entry toward the North American market and a springboard to ship Taiwanese products to South America.

Panama: Trade With Taiwan Exceeds $280 Million

PA0705232396 Panama City LA ESTRELLA DE PANAMA in Spanish 6 May 96 p B2

[Report by Esteban Huertas G.]

[FBIS Translated Text] The bilateral trade between Panama and Taiwan could exceed $280 million in 1996, a Panamanian Government source reported yesterday. According to the source, last year's exports — from January to November 1995 — amounted to $232.9 million and imports to $600,000.

Panama's geographical position and the facilities that the country offers resulted in some 39 enterprises showcasing a large variety of Taiwan-made products.

This year, Taiwanese businessmen plan to participate in EXPOCOMER '96 with more enterprises and a larger variety of articles. This will be the 13th time that has Taiwan participated in this exposition.

In addition, Taiwanese advisers reported that their government will this year offer seven additional scholarships so Panamanian officials can expand their knowledge in their respective fields in Taiwan. This educational offer to Panamanians is channeled through the International Development and Economic Cooperation Fund (IECDF), which at the beginning offered five scholarships to government officials in the areas of foreign trade and management of small- and medium-size enterprises. This promotion is intended to acquaint government officials with Taiwan's foreign trade system,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

as well as to provide marketing and assistance to small enterprises.

With all of these improvements, Panama became the first Latin American country to raise Chinese carp. In addition, Panama is one of the few Caribbean countries that possesses the technology to produce river shrimp larvae, thanks to an aquaculture program supervised by Taiwanese technicians.

The sources also pointed out that in 1995, Taiwanese technicians made a final assessment of the Export Processing Zone (ZPE) in Fort Davis, which was visited by 280 Taiwanese owners of small- and medium-size enterprises.

Electronic industry and equipment, lamps, plastics, sports equipment, toys, gifts, furniture, and food products processing have been considered for establishment in the ZPE.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Argentina: Menem Departs for Honduras, El Salvador, Panama

PY0605131296 Buenos Aires TELAM in Spanish 0522 GMT 6 May 96

[FBIS Translated Text] Buenos Aires, 6 May (TELAM) — President Carlos Menem departed for Honduras from the Ezeiza International Airport at 0130 today.

Menem boarded the presidential "Virgin of Lujan" Tango 1 plane without talking to reporters. He is scheduled to arrive at the "Enrique Soto Cano" military air base in Palmerola-Comayagua, in Tegucigalpa, Honduras, at 0630 (0930 local time [1230 GMT]).

The president is traveling with an entourage that includes Ambassador Munir Menem, the Army chief of staff, Martin Balza, and the Mint president, Armando Gostanian.

Menem thus begins the first visit ever by an Argentine president to this Central American country. He is scheduled to remain in Honduras until 8 May, and then continue to El Salvador and Panama.

Menem has a busy agenda in Honduras. The Argentine head of state will sign agreements with his Central American counterpart Carlos Reina, and will confirm Argentina's commitment to democratic processes and human rights.

Argentina: Menem Asks Hondurans To Leave Past Behind

PY0705205796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1809 GMT 7 May 96

[FBIS Translated Text] Tegucigalpa, 7 May (AFP-NA) — On 7 May, President Carlos Menem asked Hondurans to leave behind the chapter on the forced disappearance of people. The case involved at least 13 Argentine Army officers during the past decade.

Asked if the Argentine Government would cooperate in seeking justice over the disappearance of 184 Honduran and Latin American citizens during the past decade, Menem clearly stated: "We have overcome that stage."

The president said: "All the military personnel and the civilians who participated in a sort of dirty war were tried" after the 1976 military coup and the return to democracy in Argentina (1983).

Menem thus tried to close a black chapter of torture and disappearances that involved Argentine "national security experts" who advised Hondurans during their "cold war."

Civilians who disappeared in Honduras were presumably linked to guerrilla groups fighting in El Salvador, but also inside Honduras.

Menem said in Tegucigalpa that bilateral relations have entered "a new stage." He said this at the start of his official two-day visit on 6 May. In the past the South American country's assistance centered mainly on military matters and security.

The reception for the first Argentine president to visit Honduras was warm, even though the wounds caused by the forced disappearances and tortures by military men within the framework of the "dirty war" are still fresh.

A first group of Honduran military officers have already been indicted before local courts and some are evading arrest warrants.

A report issued by Human Rights Commissioner Leo Valladares registered 184 forced disappearances during the past decade and names at least 13 Argentine officers involved in clandestine "dirty war" operations, and in the creation of clandestine jails and cemeteries.

The document published in December 1993 states that Argentina's military presence in Honduras began in 1980 within the framework of deployment by the Argentine military junta of that time to help its Honduran "colleagues" create a security apparatus similar to its own and to assist anti-Sandinist paramilitary groups based in Honduras.

At that time the Armed Forces was headed by the sinister General Gustavo Alvarez Martinez, an officer trained in Argentina who was murdered in 1989.

Argentine advisers trained police units in ways to interrogate suspects. In 1981 Alvarez created, also with the help of Argentine advisers, a special operations command center within the military police, which became the command center for the dirty war.

Valladares' report entitled "The Facts Speak for Themselves" states that the Armed Forces later created the so-called Battalion 3-16, which was responsible for the disappearances.

The Argentine military presence in Argentina, officially denied in both countries, was partially unveiled after an adviser known as Hector Frances was kidnapped in Costa Rica in 1982 and then apparently taken to Nicaragua where he made a video giving details of the secret operation.

Menem said: When I took over power I said that one of my priorities was to pacify the country. You know the result of that promise: A pardon that closed the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

possibility of a coup d'etat in Argentina." [no opening quotation marks as received]

Argentina: Defense Budget Cuts 'Mortgaging the Future'

PY0705032996 Madrid EFE in Spanish 1955 GMT 6 May 96

[FBIS Translated Text] Buenos Aires, 6 May (EFE) — Admiral Enrique Molina Pico, chief of staff of the Argentine Navy, warned today that the successive cutbacks in the defense budget ordered by the incumbent administration have been tantamount to "mortgaging the future" of the Armed Forces.

Adm. Molina Pico said that the budget currently appropriated for the Armed Forces is one-fifth of what it used to be in 1986, which means that "we are somewhat mortgaging our future, because we use military equipment, but maintenance is mostly inadequate."

The Navy chief of staff held the opinion that they "are making inroads into the capital that we have invested, and this poses a challenge — we either operate sacrificing our future or bring the Armed Forces to a grinding halt."

Adm. Molina Pico stated that in the case of the Navy, investments in operational forces, vessels, and aircraft amount to $5 billion.

In an article published today by the evening paper LA RAZON, the Navy chief of staff said: "Neglecting maintenance accelerates the deterioration of the equipment, which, logically, leads to the loss of capital and of the overall operational capacity."

The Navy chief of staff was of the opinion that "international relations are always supported by an underpinning of deterrence."

To that effect, he mentioned the example of the incident in the South Atlantic in March, when Britain decided to collect fishing fees from the vessels operating in the South Georgia Island exclusive economic zone — near the Malvinas Islands [Falkland Islands] — "and sent a destroyer to the area to make its presence felt."

Adm. Molina Pico alerted: "If Argentina loses its ability to strike in response [to an attack], the reality in our seas will be totally different."

Brigadier Juan Paulik, Air Force chief of staff, sounded a similar note of warning on 2 May when he expressed the belief that the budget the Menem administration has currently appropriated for the Armed Forces may lead to a "degradation of their operational capability."

The Air Force chief of staff declared that the defense budget "must be reviewed and modified so as to be able to achieve a capability that meets current needs."

Argentina: Drug Chamber Warns of Possible U.S. Sanctions

PY0705033996 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1848 GMT 5 May 96

[FBIS Translated Text] Buenos Aires, 5 May (NA) — The Argentine Chamber of Pharmaceutical Specialities (Caeme) has demanded that the incumbent administration improve the Patents Act currently in force in Argentina. The Chamber believes that the administration "does not adequately respect intellectual property rights, as the Brazilian and Mexican Governments do."

Caeme's stance is based on the possibility that the United States will "blacklist" Argentina pursuant to the former's Commerce Act following Argentina's enactment of the Patents Act.

To that effect, Caeme, together with the Association for the Protection of Intellectual Property Rights (Asdin) and the Studies Center for the Development of the Argentine Chemical-Pharmaceutical Industry (Cediquifa), have declared that Argentina "runs the risk of becoming involved in a confrontation with the United States" because "the legislation enacted by our country only intends to put off the problem until after the year 2000 rather than finding a definite solution to this issue."

According to these three institutions, this postponement only serves to hold off the advancement of "national interests in the fields of investments and research, as it enables pirating of medicines."

Bolivia

Bolivia: News Summaries for 3 May

96SM0167A (Internet) Bolivian Social Communications Ministry WWW in Spanish Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Front Page News

External Pressure Could Change Inflationary Trend

Even though inflation during the past month was 0.22 percent and the cumulative inflation rate in 1996 has declined to 3.89 percent, the president of the BCB [Bolivian Central Bank], Juan Antonio Morales, said

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that international corn and wheat prices could affect the cost of bread and chicken, thus conspiring against the government's economic goals. [passage omitted]

No Asylum for Neighbors

A categorical statement by the president of the republic gives full backing to the position announced by his minister of government, in striking opposition to the statements made by the ministers of foreign relations and justice.

Political News

President Does Not Want More Peruvian Refugees

The Bolivian Government will not accept more refugees from Peru, because binational integration does not mean that Peru can export the problem of terrorism to us, stated President Gonzalo Sanchez de Lozada, declaring that the decision to not accept more refugees will be extended to all of Bolivia's neighboring countries.

He stated that the purpose of this decision is to preserve Bolivia's tranquility.

Economic News

BCB President: 4 Percent Growth is Real Because of Increased Exports

The president of the Bolivian Central Bank, Juan Antonio Morales, has confirmed that the economy's 4 percent growth rate during the first quarter of this year is "real," due to the increase in both traditional and nontraditional exports; he suggested that it seems feasible to achieve an 8 percent inflation rate, as the government estimates.

He explained that according to National Statistics Institute data, exports for this first quarter are higher than the exports reported for the first quarter of 1995.

Bolivia: News Summaries for 6 May

96SM0168A (Internet) Bolivian Social Communications Ministry WWW in Spanish Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Political News

Government Denies Land Giveaway Through Hydrocarbons Law

The government has denied that it plans to give away any Bolivian territory to neighboring countries, and specifically not to Chile, because of the enactment of the new Hydrocarbons Law. Minister of Social Communcations Guillermo Richter made this statement in response to EL DIARIO's report saying that the Executive will grant a corridor of Bolivian territory to the multinational awarded the YPFB [Bolivian Government Oil Deposits] privatization, with the land to be used for the construction of a gas pipeline to Chile. This report also said that Chile already controls and uses water from the Silala River along the border, located within this strip of land. The minister denied that any national territory "or anything else" has been given away because of the approval and enactment of the new Hydrocarbons Law.

Brazil

Brazil: Cardoso Cabinet Meeting Addresses Reforms

PY0805030496 Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 May 96 p 3

[Article by Jailton de Carvalho and Vladimir Netto]

[FBIS Translated Text] Brasilia — The administration has decided to launch a new offensive to recover the time lost. During a cabinet meeting that took place yesterday in the Granja do Torto, Brasilia, President Fernando Henrique Cardoso defended the return of the steamroller effect in Congress, that is, the approval of the constitutional reforms by a majority of votes before the congressional recess in July.

Cardoso demanded total dedication from his ministers in the agrarian reform and he warned that he will strictly control the budget to prevent an increase in the public deficit. "The president said that the reforms must be expedited. Such was the specific objective of the cabinet reform," said Federal Administration Secretary Luiz Carlos Bresser Pereira.

The ministers arrived in the Granja do Torto without knowing the agenda that would be discussed. Cardoso clearly established the importance his administration gives to solving the problem of the landless peasants. "The agrarian situation is very delicate and the administration must give it special attention," he said.

Minister Jose Serra then made a broad evaluation of the budget this year. "It is essential to maintain expenses with personnel and administrative costs at the same level as last year," he said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Special Political Coordination Minister Luiz Carlos Santos made an extensive analysis of the government priorities and of the situation in Congress. The government strategy for the approval of the constitutional reforms will be put into practice beginning next week. "The administration has already planned everything. Just you wait and see," said Civilian Household Chief Clovis Carvalho.

Carvalho was referring to the administration plan to defeat the legal recourse interposed by the opposition which questioned the social security reform before the Federal Supreme Court, thus interrupting the voting on the reform's separate articles. "If the judicial branch approves the bill, we will begin voting on it on 8 May," said Luiz Carlos Santos.

During the cabinet meeting, Cardoso praised Santos, who will lead the reforms in Congress. "The president wants the ministers to firmly and categorically defend the constitutional reforms. Besides this, the president said that Minister Luiz Carlos Santos has control of everything, and knows the priorities and the way to facilitate government action," Bresser said.

The way to which Bresser referred includes changes in the internal regulations of the Chamber of Deputies, as endorsed by its president, Luis Eduardo Magalhaes (PFL-BA) [Liberal Front Party-Bahia] to limit the number of articles that can be voted on separately (DVS). Such articles are used by the opposition to hinder the approval of bills sent by the executive branch to Congress. "As long as the social security reform is not approved, and the internal regulations are not modified to limit the number of DVS, my administrative reform will remain in a stand by [preceding two words in English] situation," said Bresser.

After approval of the administrative reform, the administration wants approval of the tax reform to prevent summoning a special session of Congress. The administration believes that if the reforms are left for the second half of the year, they will end up being left for next year, on account of the 3 October municipal elections.

Agrarian Reform

President Cardoso demanded the involvement of all the ministers in the agrarian reform process. The president believes that it will help solve the problems of the landless peasants, of unemployment, and of the emigration of the poor to the big cities. "This needs special attention. This is why we appointed a minister for this objective," said presidential spokesman Sergio Amaral.

The president used the opportunity to reassert his decision to restrict expenditures in the budget that will be put to a vote on 8 May. Expenditures will be programmed by the economic team with each ministry every three months. If necessary, the administration will control the direct disbursement of Treasury funds.

"This is the worst of all measures, because it leads to administrative irrationality," said the presidential spokesman. Amaral clearly established, however, that the administration seeks to control the public deficit, which could reach 3 percent of the GDP this year.

During the meeting, Cardoso reported that government advertisement campaigns will be subject to scanning by Amaral. The president wants the campaigns to be centered on social subjects, like education, health, and employment.

The administration now intends to buy advertisement time and space in the media by blocs, and not separately, as it has been doing until the present. With this, the administration expects to reduce the costs of its advertisement campaigns, for which it has allocated 120 million reals. Only Education Minister Paulo Renato Souza, who is currently in the United States, and Industry and Commerce Minister Francisco Dornelles did not participate in the cabinet meeting.

Decisions made:

— The pro-government congressmen will hasten the debates in Congress to secure approval of the social security, administrative, and tax reforms before July.

— The administration will mobilize all the ministries to help carry out the agrarian reform.

— The administration will strictly control compliance with the budget to avoid increasing the public deficit.

— The advertisement campaigns of the different federal agencies will be centered around key subjects like education, health, and employment.

Brazil: Cardoso Seeks To Stem Economists' 'Pessimism'

PY0705025496 Rio de Janeiro O GLOBO in Portuguese 4 May 96 p 24

[From the "Economic Outlook" column by Miriam Leitao: "Fernando Henrique Cardoso Attends Debates"]

[FBIS Translated Text] The level of pessimism is rising among consultants, economists, and political scientists. President Cardoso has decided to take action to reverse this situation. After lunching with a group in Rio de Janeiro, he dined with another group at Alvorada Palace on the evening of 2 May, when he heard criticism pointing to the size of the public deficit, the slow privatization process, the stagnation of the constitutional

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

reforms, and the disagreements among members of his cabinet.

In these debates, Cardoso recreates an academic atmosphere among people who have known each other for a long time. They openly discuss every topic. The president lets the discussions move in every direction and, surprising many people, he shows that he is fully abreast of his administration's actions in various areas.

Recently, Cardoso lunched in Rio de Janeiro with economists Dionisio Carneiro and Antonio Barros de Castro; with political scientists Fabio Wanderley Reis and Sergio Abranches; and with Paulo Gomes, rector of the Federal University of Rio de Janeiro. On the evening of 2 May, he dined at Alvorada Palace with economists Affonso Celso Pastore, Mailson da Nobrega, Andre Lara Resence, Ibrahim Eris, and Luiz Paulo Rosenberg; tax expert Antoninho Marmo Trevisan; and political scientist Bolivar Lamounier.

Cardoso usually attends these meetings in the company of spokesman Sergio Amaral, political scientist Luciano Martins, and members of his economic team. Attending the 2 May dinner were Francisco Lopes, Gustavo Franco, and Jose Roberto Mendonca de Barros.

The meeting opened at 2100 and concluded at midnight. The debate was open, perhaps too much for some people, who believe that economist Luiz Paulo Rosenberg was simply rude when he was trying to stress his point.

Although noting that no one is predicting that the Real Plan is coming to an end, all of the consultants admitted that they feel more pessimistic now. Lara Resende was the one who had more words of praise for the monetary and exchange policy. Mailson da Nobrega stated that action must be taken to raise expectations to reverse the pessimistic mood, which could have macroeconomic effects. In fact, this is exactly what the president is trying to do.

Cardoso said: Because they are opinion shapers, we must listen to them and show them the positive points.

Francisco Lopes announced that positive fiscal figures are now going to be disseminated. In sum, everyone concluded that the 1996 figures will be better than the super fiscal deficit of 1995. Mendonca de Barros reaffirmed that Brazil will have a trade surplus this year.

Those who attended both of the above meetings concluded that the level of pessimism increased between one meeting and the other. The massacre of peasants in Carajas and the cabinet reform, which apparently did not follow any logical pattern, took place between the two meetings. While the administration seemed to have been replacing loose parts, it was not correcting its course.

Chile

Chile: Controls Against Money Laundering Urged

PY0705115896 Santiago ESTRATEGIA in Spanish 6 May 96 p 3

[Editorial: "Controls Against Money Laundering"]

[FBIS Translated Text] Money laundering is such a complex crime that it demands continuous contributions to improve the controls to fight this phenomenon, which, unfortunately, is also beginning to grow in our country. Although there are no official records, it is believed that illegal money laundering operations at the international level amount to some 500 billion [unit of currency not specified]. Senator Sergio Bitar [Party for Democracy] has said that similar activity is reportedly developing in Chile, and that it is allegedly moving approximately 1 percent of that total.

In view of the seriousness of this case, Senator Bitar has stressed the need to add effective financial mechanisms to our legal financial system to prevent and punish economic crimes that stem from drug trafficking. In line with this, last week he proposed the creation of informal exchange offices and the establishment of rules that will force banks and financial institutions to report on suspicious money laundering operations. The idea is to force the executive branch to include these suggestions — via indications — into the draft law on banks that is currently being debated in Congress. For the time being, Senator Bitar stressed the Central Bank's commitment to demand thorough information for the establishment of these institutions as a way to increase control to prevent crimes. It is not a case, as those who are studying the problem have claimed, of having excessive rules that could adversely affect legal operations, but of establishing measures that will help prevent crimes.

It is obvious that this initiative should be added to the number of analyses the government is conducting through the National Council for Drug Control [Consejo Nacional para el Control de Estupefacientes] to reform the prevailing law, making it more effective in its objective of investigating and punishing money laundering cases.

It is essential that we act promptly and effectively in this case, judging from the experience of other countries that have been affected by drug trafficking and corruption, which always come together. As the president of the State Defense Council once said, if the laws are not improved with the required urgency, money laundering could seriously undermine the foundations of the Chilean economic system. Therefore, it is essential for government officials to prevent this from happening to safeguard our current institutional system.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Chile: Socialists Seek Candidate To Head CPPD Government

PY0705202296 Santiago EL MERCURIO in Spanish 6 May 96 pp A1, A11

[FBIS Translated Excerpt] At the end of its 25th Congress, the Socialist Party [PS] reasserted its will and belief that a socialist should head the third government of the Coalition of Parties for Democracy [CPPD] in the year 2000 to be able to complete the task left unfinished by former President Salvador Allende in 1973, as was stated yesterday by Clodomiro Almeyda during the closing ceremony.

PS Chairman Camilo Escalona, after 72 hours of debate and assessment of the future socialist stance regarding the current society, asserted adamantly and with confidence that his party is capable of shouldering the responsibility of one of its members, at the beginning of the next century, heading the most progressive government of the continent.

Escalona stated, however, that it is not a question of now proclaiming Public Works Minister Ricardo Lagos as presidential candidate of the progressive movement because that would be absurd. He mentioned, however, the need for a rotation within the CPPD for a third CPPD government where progressive ideas prevail, those same ideas that prevailed when the PS was created in 1933, in order to bring changes to the Chilean society, the same which, he said, must experience a new impetus "under our leadership."

Addressing hundreds of people attending the event, he said that the CPPD will raise this issue at the appropriate moment, will choose a common candidate, as well as the mechanisms for his appointment. Escalona added that the Socialists, currently and with confidence, can state that they are prepared to rotate in power.

For this he urged the PS militants to assume this task from now on, overcoming the lack of initiative and intolerance, in order to build the road designed to attain such a high objective.

The political line approved by the 25th Congress, in addition to praising the contributions to the country made by the two CPPD governments, the PS agreed to step up its determination to politically, economically, and socially democratize the country and more strongly contribute to the development of the CPPD program, strengthen the government's actions and raise all those issues that concern socialism.

The PS Congress also endorsed the country's modernization process based on the belief that this process does not entail a simple privatization of public enterprises but reiterating the agreements contained within the CPPD program on the subject and granting the modernization process a democratic concept to the extent that progress is made in the labor reforms, social justice, and greater participation, according to German Correa. [passage omitted]

Chile: Editorials, Leaders View CUT Elections

96P20413A

[FBIS Report] Commentators have said that the elections of officers during the 12-19 April United Workers Confederation (CUT) Congress have caused a crisis in the governing Coalition of Parties for Democracy. The Socialist Party (PS) formed an alliance first with the rightist Independent Democratic Union (UDI) and then with the Communist Party (PC) against the Christian Democratic Party (PDC) slate headed by Maria Rozas in order to put a socialist, Roberto Alarcon, in the presidency.

Writing in the government-owned daily LA NACION, editor Sergio Munoz says that the CUT "vitally needed" the congress to gain national respectability and show that it leads a "true renewal" of the union movement, but that unfortunately things did not turn out that way. Munoz calls it "indecorous" for a slate to first ally itself with a rightist party and then with the PC to achieve its aims. While it might be positive for union leaders not to be too closely tied to party leaders, he says, this should mean that the union movement has rid itself of "the vices of politicking," not just called them by another name.

Munoz does not see the PS-PC alliance as a restoration of a "revolutionary axis," as occurred during the Allende years, but rather as the result of "cold pragmatism" for which the PS will pay a high price. However, he states that there is now more "apprehension" about the feasibility of a union movement that will not repeat the bad experiences of the past, and that will be pluralistic and "clean" in its procedures. Munoz also notes the role of "machismo"—still very strong in the traditional union movement—in the effort to prevent Rozas from becoming the CUT president. He concludes that the end result will be a sharpening of differences within the Coalition and a more uncertain future for the CUT. (1)

For Victor Maldonado, a [illegible]iologist and member of the LA NACION editorial board, the CUT election maneuvering is a symptom of the weakness of the party organizations. He states that while everyone knows about the right's problems, the Coalition also has weaknesses which have been somewhat more hidden by its successes. The party leadership was not in tune with the union leaders, who in turn did not pay any attention to the party leaders before or after the initial results were

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

known. He finds that one of the "most surprising" things is that there was no emphasis on a strategy to identify the Coalition representatives in the union movement, but rather a "very crude" fight for power. The worst part, in Maldonado's view, is that this makes it more difficult to build a strong union movement.

In addition, Maldonado says, the leading position of the Coalition depends on its credibility in keeping its agreements, not just on "circumstantial victories." Leaders have been making decisions without thinking of the overall consequences, only their personal ambitions, and the parties have shown themselves to be too weak to impose discipline. He concludes: "We are discovering how difficult it is to maintain and strengthen the basic institutions of a democracy," and that there could be more examples of this in the future. (2)

An editorial in the conservative daily EL MERCURIO states that the CUT elections have caused a crisis that the Coalition has not been able to overcome. Although PS President Camilo Escalona has made "repeated public demonstrations" of his support for the Coalition, this has not changed the situation. The PDC has called on Public Works Minister Ricardo Lagos as the "natural leader" of the socialists to "impose his authority." Lagos has made general criticisms of the situation, calling the PS-PC alliance a "ghost from the past" and repeating that the Coalition is the only stable governing option for Chile, but his words have not had any practical effect, and thus no short-term solution to the conflict can be seen, according to the editorial. The PDC reportedly hopes to bring about new election rules which would include a direct vote for CUT officials, in place of the current indirect system. However, the editorial states, there is nothing that would lead one to think that the "real concordance" seen today between the socialists and communists in the union movement will not be expressed in direct elections as well. (3)

In an interview published on 26 April, Escalona says that these events have "seriously hurt" the PS, which finds itself in the "most uncomfortable situation" since the start of the civilian government in 1989. He says that the damage caused to relations with the PDC cannot yet be evaluated, but he called the PDC reaction "totally disproportionate." However, he claims that the government's stability has never been at risk in this crisis. Asked about the responsibility for the crisis, Escalona replies that the tendency of many PS leaders to act on their own initiative goes back a long way, but that this is not unique to the PS. The party leadership has been making an "enormous effort" to bring union members under party control, but obviously the effort was not sufficient. Escalona states that "coercive measures" would be a mistake. He says that one major lesson to be learned is that the lack of attention by the parties to matters in the social organizations such as the unions is not a good idea. (4)

PDC President Alejandro Foxley states in an interview in LA NACION that his party has not been thinking about what it has gained in public opinion, but about preventing a loss of credibility for the Coalition. For the Coalition to succeed, it must have a clear political line; therefore it is incompatible to belong to the Coalition and have outside agreements. He says that the PDC has been talking constantly with the PS, but resolution of this problem "does not depend on us." He stresses the importance of the issues in dispute with the PS, because the CUT is the country's major workers organization, and if a tendency of the leaders of any social or regional organization to seek agreements outside the Coalition is not corrected, the Coalition will become only an "electioneering pact." He notes the lack of a "clear and explicit framework to establish common rules" for Coalition members. Foxley denies that there is any sector in the PDC that does not "believe in" the Coalition, and states that the party leaders "will not accept dissidence" on this point, saying that "the Coalition is the political platform of the PDC," and no one has been heard to suggest anything different. (5)

1. Santiago LA NACION 22 April
2. Santiago LA NACION 25 April
3. Santiago EL MERCURIO 26 April
4. Santiago LA NACION 26 April
5. Santiago LA NACION 26 April

Colombia

Colombia: Business Groups' Request to Samper Criticized

PA0305203396 Santa Fe de Bogota EL TIEMPO in Spanish 1 May 96

[Received via Internet]

[FBIS Translated Text] According to Interior Minister Horacio Serpa Uribe, business leaders are not the nation's only sector that is entitled to express an opinion. He said: "I would prefer to have Finance Minister Guillermo Perry on board the ship..." According to Agriculture and Livestock Minister Cecilia Lopez, the business associations are "arrogant."

Serpa described as "simplistic and hasty" the petition that the business associations have made to President Ernesto Samper to have him step down from office.

According to Serpa, who is Samper's closest aide, the business associations should neither meddle in politics

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

nor should they be considered as the country's only public opinion mouthpiece.

"It is very simplistic for a sector of the public, no matter how reputable it is, to approach the Colombian president to tell him that they want to help solve problems, but adding that the only solution is for him to resign."

In Serpa's opinion, this posture is neither viable nor reasonable nor does it provide the climate of understanding that the country requires right now.

"Besides the business associations, there are many other important sectors in this nation, with opinions of their own, which support the president," he said.

"Moreover, I do not like to see the business associations meddling in politics. In a country with so much extremism, I visualize these business associations encouraging a course of understanding and consensus rather than increasing this great chaos," he remarked.

He expressed his concern, however, because some business leaders miss the opportunity of making successful contributions to overcome this crisis and rather prefer to fuel a raging fire.

In an interview with EL TIEMPO, Serpa said he does not believe that the finance minister's resignation had "exalted" the National Business Council's opposition posture.

"I was indeed amazed that Dr. Perry, who had kindly informed me about his reasons, had decided to leave the ship on which we had traveled together from the very beginning of this journey... I would have preferred to continue having him on board."

"His Resignation, a Story"

The minister also reacted to rumors in the sense that the president will resign once the Chamber of Representatives acquits him.

"That is not true, nor is it true that as soon as the verdict is given the president will use all means at his disposal to dismiss the Congress," Serpa Uribe said.

Serpa Uribe said that these rumors, which he described as "stories," are meant to exert pressure on the Chamber of Representatives to lose their objectivity when the time to decide arrives.

Agriculture Minister Cecilia Lopez said yesterday on Viva FM Radio that the business associations are only a segment of public opinion, and that, in her opinion, at least half of all Colombians differ with the business leaders.

In her remarks over the radio, Lopez affirmed that according to what she heard during the meeting between the business associations and President Samper, business leaders did not ask for Samper's resignation; just the opposite, her impression is that the private sector was interested in helping the country overcome the crisis it is experiencing.

However, a person who attended Monday's meeting at the Palace said that the minister had described the position of the business associations as "arrogant."

Moreover, some members of the National Business Council were not pleased with the information divulged yesterday by the media, because, in their judgment, the government manipulated the media and reported a false version of what happened at the Palace meeting.

They insist that they are more united than ever, and that their proposal is that President Ernesto Samper resign.

Nevertheless, they add that it is necessary to wait for the Chamber of Representatives' verdict regarding whether the president is guilty or not.

Colombia: Report on Attorney General's Surrender

PA0405022296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 3 May 96

[From the "Latest News" newscast]

[FBIS Translated Text] As we have reported earlier, Attorney General Orlando Vasquez Velasquez turned himself over to General Luis Ernesto Gilibert, commander of the Santa Fe de Bogota Metropolitan Police, in Cota, near Santa Fe de Bogota, today.

Luis Angel Perez has just established direct communication with Gen. Gilibert.

[Begin relay] [Perez] Gen. Gilibert, how come everything changed at the last minute after you confirmed for us at noon that the Attorney General would turn himself over at 1900? He did, but at 1620 in Cota municipality.

[Gilibert] Good afternoon. I talked with the deputy attorney general at 1100. He told me about Vasquez Velasquez' plans to show up at the 2d Police station at 1900. Nevertheless, Vasquez Velasquez phoned me at 1430 saying he wanted to meet with me so we could agree on his surrender and to be near us. So we agreed to meet at the small park in front of the Cota church. There, he told me he wanted to be taken to the DAS [Administrative Department of Security] academy. I agreed. So we immediately headed for the DAS academy, where I turned him over to the academy director, as soon as a Prosecutor General Office's note was signed saying Vasquez Velasquez should be detained in the academy. Once this procedure was completed, Vasquez Velasquez underwent the required

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

medical examination and then was in the custody of the academy director.

[Perez] How was the meeting? What did Vasquez Velasquez tell you? Who accompanied him to the appointment place?

[Gilibert] He looked a little worried. The first thing he mentioned was his optimism regarding his legal defense, which he mentioned frequently. He looks optimistic. He thinks this is a situation he must face, but one that he expects to be cleared of very soon.

[Perez] What does he look like? How is he?

[Gilibert] The doctor who examined him found him in perfectly good health.

[Perez] Who accompanied him?

[Gilibert] His wife and son.

[Perez] Did they talk with you?

[Gilibert] Yes, of course. His wife looked very worried. It is the relatives who suffer the most in situations like this, but all of them are confident that, according to the law, things will be clarified because their father and husband is innocent. They expect this to be a bitter experience that will end soon.

[Perez] General, Vasquez Velasquez went to Cota, climbed in your car and was taken to (?Aquinilla).

[Gilibert] He arrived in a red Mazda car. I suggested he drive his own car and that we would follow him to the place.

[Perez] Did he tell you why he decided to turn himself over to you, the police commander, instead of the Prosecutor General's Office, for instance?

[Gilibert] Because it is the police who received the order to arrest him. He knew this and thought things would be easier if he turned himself over to the police commander.

[Perez] Did you accompany him right up to the Aquinilla academy?

[Gilibert] Yes. I turned him over directly to the director of the academy with a document clearly stating that the director of the academy was responsible for him from then on.

[Perez] Did he tell you what he decided to turn himself over earlier than anticipated and changed the site? After all, a police station had been agreed on.

[Gilibert] He had no bodyguards with him. He would not leave them without legal protection now that he knew a warrant of arrest had been issued against him. This is why he went out without his bodyguards and made an appointment to meet with me at a place near the academy. This made things easier.

[Perez] General, why was the DAS director not informed of all this? He told us he had no idea all this was going on.

[Gilibert] I did not know what Vasquez Velasquez had decided to do. I thought that, as soon as we met, he would say something like this: I am putting myself to your disposal. Take me to the 2d police station as agreed. This is what I had in mind. But, when we met, he changed the procedure, he mentioned DAS, and (?it's there where we went).

[Perez] Is the 2d police station the one right up very near in [words indistinct] where representative Rodrigo Garavito is detained?

[Gilibert] Yes, that's where Garavito is being held.

[Perez] And that's where the Attorney General was to have been taken originally.

[Gilibert] Yes. On 1 May, a holiday, we even looked up where he could be held and the necessary arrangements for his comfort. [end recording]

Colombia: Senate Approves Attorney General's Suspension

PA0805021596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 7 May 96

[Report by Gilberto Alvarado from the Senate — live]

[FBIS Translated Text] The Senate of the Republic has just officially suspended Attorney General Orlando Vasquez Velasquez from his post for three months, based on the Supreme Court of Justice's request for an indefinite suspension and a petition filed by the Office of the Prosecutor General of the Republic.

The decision was adopted at a plenary session of the Senate of the Republic following a legal ruling delivered by a subcommission, which determined the voting should be held independently because the Office of the Prosecutor General of the Republic can revoke the arrest warrant issued against Vasquez Velasquez.

The voting was carried out separately upon request from Senate President Julio Cesar Guerra Tulena.

[Begin recording] [Guerra] Along with the Senate, we accept the conditions from Senators Chamorro, Rojas, and Gutierrez. Does the Senate and Senator Luis Guillermo Velez accept the conditions? Excuse me, Senator Jorge Cristo. Excuse me. Jorge Cristo. Does the Senate of the Republic accept the conditions?

[Unidentified speaker] Yes, it does.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Guerra] Does Senator Jose Luis Mendoza?

[Unidentified speaker] If there is no quorum then....

[Guerra] I ask the Senate. Does it accept the Honorable Supreme Court of Justice's request for the suspension of the attorney general of the nation?

[Unidentified speaker] Yes, it does.

[Guerra] I ask the Senate. Does it also accept the suspension request from the Office of the Prosecutor General of the Republic against the attorney general of the nation?

[Unidentified speaker] Yes, it does. [end recording]

Thus, the request submitted to the Congress of the Republic, specifically to the Senate, by the Supreme Court of Justice and the Office of the Prosecutor General of the Republic was approved. A temporary three-month suspension was requested by the Supreme Court of Justice, and an indefinite suspension was requested by the Office of the Prosecutor General of the Republic.

Colombia: Samper Accuses VP of Receiving Campaign Money

PA0705152496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 7 May 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Vice President Humberto de la Calle Lombana benefitted from money raised during the Liberal Party campaign in the runoff election, President Ernesto Samper Pizano affirmed in statements before the... [one-second break in reception] National Council. The presidential campaign helped finance de la Calle's campaign for the internal election in the Liberal Party.

Like every high-ranking official from the campaign, Dr. de la Calle must have received some remuneration for his work and dedication, Samper remarked. The head of state also referred, in his broad statements... [two-seconds break in reception] Agenda Committee. He said that the committee convened every Monday to analyze the weekly working agenda, and de la Calle participated in those meetings.

Vice President de la Calle told the Accusations Committee of the Chamber of Representatives that he does not know if in these so-called Agenda Committee meetings, during the Samper For President campaign, they discussed the issue of exceeding the spending ceiling, a standard established by the National Electoral Council. The high-ranking official made these remarks in response to a written questionnaire sent by Heyne Mogollon Montoya, Rodrigo Arcila, and Eliecer Meneses Lopera, who are parliamentarians making up the Accusations Committee.

In a document sent from the Colombian Embassy in Spain, Vice President de la Calle asserted that while he attended the meetings of the Agenda Committee, the spending ceiling issue was not discussed. De la Calle also said that he does not know if during those meetings it was proposed or requested that the Electoral Council reimburse the expenses specified by the law, despite exceeding the level of authorized spending.

He said: After the selections of the presidential slate, I began attending the Agenda Committee meetings... [two second break in reception] it was impossible for me to do so... [one second break in reception] most of the time, de la Calle explained.

He finally stated that these meetings were regularly attended by Samper himself, along with Horacio Serpa Uribe, Fernando Botero Zea, Rodrigo Pardo, Juan Manuel Turbay, and Jose Antonio Vargas Lleras.

Colombia: Samper Communique Denies VP's Handling of Funds

PA0805003596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2222 GMT 7 May 96

[Report by Luis Eduardo Maldonado]

[FBIS Translated Text] President Ernesto Samper Pizano denied this afternoon that his recent statements were meant to implicate Vice President Humberto de la Calle Lombana in the administrative and financial handling of the past electoral campaign. In that regard, the Narino Palace has just issued a communique with Samper's statements to the National Electoral Council.

Question No. 20, for example, asked Samper about the vice presidential candidate's involvement in handling campaign funds. Samper answered as follows: Just like myself, Mr. de la Calle's involvement was limited to attending what was known as the Agenda Commission and the social events organized during the campaign to raise funds. But, Samper explained that the Agenda Commission was comprised of political coordinator Horacio Serpa, general campaign director Fernando Botero, advertising and media chief Rodrigo Pardo, interview coordinator Juan Manuel Turbay, and, of course, Humberto de la Calle Lombana. It is worth noting, as the Commission members can attest, that the Commission never addressed any matters of financial accounting, much less anything related to the ceilings. Except for what I have already said in previous answers, I have no knowledge about a so-called internal financial commission, the president stated.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In question No. 25, Samper was asked whether de la Calle had received any kind of wages or salary income. Samper answered: Just like the rest of the campaign officials, Mr. de la Calle should have received some compensation for his ceaseless work and dedication throughout the campaign. As in my case, his transportation and lodging expenses were covered while traveling beyond the capital city. I understand that portion of the vice president's campaign expenditures during the primaries were paid for with reimbursement funds made available to the Liberal Party by the National Electoral Council.

This has been a brief summary of the communique issued by the Narino Palace this afternoon, whereby the president explained some statements reportedly made by him, allegedly involving his running mate and the administrative and financial handling of the political campaign funds.

Ecuador

Ecuador: Guarantor Countries To Meet in Brasilia

PY0705201896 Quito Voz de Los Andes in Spanish 1700 GMT 7 May 96

[FBIS Translated Text] Argentine Ambassador to Ecuador Maria Esther Bondanza reported today that the deputy foreign ministers of the guarantor countries of the Rio de Janeiro Protocol will meet on 15 May in Brasilia to define the functions of the third stage of the Ecuador-Peru Military Observers Mission, MOMEP.

The meeting will be attended by Juan Jose Uranga of Argentina; Ivan Cannabrava of Brazil; Favio Vio Ugarte of Chile; and Luigi Einaudi of the United States.

Bondanza said that Ecuadoran Deputy Foreign Minister Marcelo Fernandez de Cordoba and Peruvian Deputy Foreign Minister Jorge Voto-Bernales will also attend the meeting.

Bondanza said the deputy foreign ministers will assess the peace process between Ecuador and Peru, which are in dispute over an unmarked Amazon border region.

Ecuador: Guarantors for Weapons Commission With Peru Urged

PY0705015296 Quito Voz de Los Andes in Spanish 2300 GMT 6 May 96

[FBIS Translated Text] General Telmo Sandoval, secretary general of the National Security Council, has said that the weapons commission between Ecuador and Peru must include representatives of Argentina, Brazil, Chile, and the United States, which are the guarantor countries.

According to Sandoval, Peru is opposed to the idea that the commission should be comprised of representatives of the guarantor countries of the 1942 Rio de Janeiro Protocol and the 1995 peace agreements that prevented the extension of the undeclared war waged between Ecuador and Peru between 26 January and 28 February 1995.

The guarantor countries should necessarily participate, at least in an indirect manner, he said. This meeting is part of the Itamaraty — the Brazilian Foreign Ministry — peace process that seeks to reduce tension between the two countries, Sandoval said.

He added that during the second meeting of the commission, which will be held in Lima at the end of the month, they will directly discuss the types of measures the group will implement to generate confidence through the exchange of information on weapons, and the establishment of rules for the purchase of these weapons.

According to Sandoval, the commission must become aware of the types of weapons Peru and Ecuador have, and the reasons submitted for purchase of more weapons.

Ecuador: Leoro Poses Solution To Conflict With Peru

PY0705015096 Quito Voz de Los Andes in Spanish 2300 GMT 6 May 96

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco has said that in his opinion most Ecuadoreans support the difficult task of reaching a just, final, and lasting solution to the territorial conflict between our country and Peru. Leoro Franco added that this task is based on three elements:

The Rio de Janeiro Protocol; the impossibility of implementing it partially, due to the fact that there is no division of waters between the Samora and Santiago rivers; and a free and sovereign access to the Amazon River.

The Ecuadoran foreign minister added that these proposals are the three basic points to find a solution to the conflict, three points that will serve as basis to find a solution to the current problem, and points that Ecuador has defended from the very beginning.

In fact, this is the first time in many years that decisive action is being taken to solve the conflict. Ecuador has always been fully dedicated to taking this action and Peru has also given some signs in the same direction. Moreover, the guarantor countries have offered their unconditional support.

Leoro said that integration and cooperation in all aspects of relations with Peru would have been undermined had this problem been aggravated, because it would have

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

implied a paralysis of relations of friendship between Ecuador and Peru.

Ecuador: Alarcon Denies Weapons Inspected in Argentina

PY0705150496 Madrid EFE in Spanish 1830 GMT 6 May 96

[FBIS Translated Text] Quito, 6 May (EFE) — Ecuadoran Defense Minister Alfonso Alarcon denied today the reports from Buenos Aires asserting that an Ecuadoran military officer verified in Argentina the condition of the weapons that were shipped to Ecuador during the war with Peru.

"No military officer, no representative of the (Ecuadoran) Armed Forces officially went to verify any equipment in the factories or distributor or in any other site in Argentina," said Alarcon to the local television station "Telecentro."

It was not discounted, however, that a retired military officer could have participated in the arms deal that led to a scandal in Buenos Aires. Alarcon added: "They (retired officers) are completely outside military laws."

According to the Buenos Aires daily LA NACION, a military representative of the Ecuadoran Armed Forces Joint Command inspected the weapons in the early days of February 1995, during the military conflict between Ecuador and Peru.

LA NACION, citing "reliable sources," said that after the inspection the Ecuadoran military officer, whose name has been kept secret, made the bank transfer covering the total cost of the purchase and the air transportation of the weapons.

Ecuador and Peru are negotiating a peaceful agreement since February 1995 after the undeclared war they waged from 26 January to 28 February 1995 over their common Amazon border region without markers.

Ecuador: Duran-Ballen Denies Knowing Use of Funds

PY0705182296 Madrid EFE in Spanish 0114 GMT 7 May 96

[FBIS Translated Text] Quito, 6 May (EFE) — Ecuadoran President Sixto Duran-Ballen did not know how the discretionary funds of the Vice Presidency were being used, according to a sworn statement submitted today to the Supreme Court (CSJ). The statement is an answer to the three questions made to Duran-Ballen to find out if he was aware how the discretionary funds were used because, according to the defense lawyer of Rodrigo Bucheli, some of the payments should have been authorized by the president.

President Duran-Ballen, who termed the questions submitted by the CSJ and requested by Buchili "imprecise, captious, and suggestive," added that "I decided to answer the questions because I want help the judicial process," according to the sworn statement which EFE had access to, and which was delivered to the CSJ by presidential adviser Arturo Donoso.

In his answer, Duran-Ballen said he was not aware that security personnel were paid with the discretionary funds as he reportedly ordered, and he also denied knowing how the leasing of a ranch that was used to welcome personalities who visited the country was paid. He also denied knowing where the money came to pay the trips abroad of government personnel. He said that the president "only authorizes the trips of officials," while the payment is made "by the organization where the official works."

Adviser Donoso said that "this case refers to the discretionary funds of the Vice Presidency" and that the president "emphatically denied knowing" about the spending. Donoso referred to ex-Vice President Alberto Dahik, who is a fugitive from justice, as the man who "has to answer to the management of the funds," because Dahik was responsible for that fund and is the main individual being prosecuted in this case.

CSJ President Carlos Solorzano ordered on 1 May the reopening of the proceedings on the discretionary funds case to be able to get more information from Duran-Ballen on the request of defense lawyer Buchili, who is defending Dahik, and the former employees Gladys Merchan and Juan Mario Crespo. In answer to a question whether Duran-Ballen could be prosecuted, Solorzano did not discard any individual if his responsibility in this case were established but Attorney General Fernando Casares played down that possibility.

Ecuador: Police Head on Alleged Plan To Murder Minister

PY0805003796 Quito Voz de Los Andes in Spanish 2300 GMT 7 May 96

[FBIS Translated Text] The Ecuadoran police today revealed a plan to assassinate Government Minister Xavier Ledesma, who has reportedly reinforced his personal security.

Police Commander Marco Inojosa presented a recording of a Colombian lady who was arrested in Quito. She revealed that six Colombian henchmen have been hired to murder Ledesma, a Quito councilman, and a journalist.

The Colombian lady, Gladys Rodriguez, said they were hired to murder Quito Councilman Ayerbes, a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

VISTAZO reporter, and Minister Ledesma. This is all I know. I do not know how they carry out their actions, Gladys Rodriguez said in her confession to the media.

Rodriguez added that the henchmen rented an apartment in the southern part of Quito where they kept a large arsenal. The well-known Mamalucha is involved in this case.

Paraguay

Paraguay: Interior, Foreign Ministers Confirm Resignations

PY0705200596 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1610 GMT 7 May 96

[Live relay from government house by Andres Caballero]

[FBIS Translated Excerpt] [Interior Minister] Diogenes Martinez's foretold resignation actually came to pass.

Upon arriving at Government House, however, he humorously said: The boys [not further specified] want to send me very far. He was referring to a report, which was described as inaccurate, noting that he would become Paraguayan ambassador to Spain, replacing Dr. Euclides Acevedo.

The letter of resignation presented by Dr. Diogenes Martinez says that his resignation has been prompted by political reasons, which everyone knows, involving a personal requirement by a [Colorado] party leader. Of course, Dr. Luis Maria Argana is being held responsible in this case.

The letter of resignation adds: The president was kind enough to offer me other posts within his administration. I have not accepted these posts. I prefer to again discharge the duty that the Colorado Party faithfuls conferred on me in the past general elections.

Asked if he was referring to [Colorado Party President-elect] Dr. Luis Maria Argana, Dr. Diogenes Martinez said he did not want to make any personal insinuations.

Nevertheless, here are some of the remarks that he made upon leaving the president's office.

[Begin recording] [Martinez] I have just tendered my resignation, explaining the reasons.

[Journalist] Did the president accept? Did he accept your resignation?

[Martinez] Well now, you have to ask him.

[Journalist] Is your resignation irrevocable?

[Martinez] I believe it is not necessary to add this word to any human decision, especially this type of decision. If one takes this step...

[Journalist, interrupting] Did you ask to become ambassador to Spain?

[Martinez] I have not asked for anything. Quite the contrary, I have been offered various posts.

[Journalist] Minister, the person that you are talking about obviously is Dr. Argana.

[Martinez] I am not going to elaborate absolutely on any issue that could be detrimental to my party or my government.

[Journalist] Are you going back to ...?

[Martinez, interrupting] I am going back to my senatorial seat.

[Journalist] If you are offered the post of ambassador, would you accept it?

[Martinez] I have been offered various posts...

[Journalist, interrupting] One in Spain, specifically?

[Martinez] I have been offered various posts and I have not accepted any of them. [end recording] [passage omitted]

Let us point out that Foreign Minister Luis Maria Ramirez Boettner confirmed that on 10 May he will be leaving his post and Dr. Ruben Melgarejo Lanzoni will be sworn in as the new foreign minister.

[Begin recording] [Journalist] Doctor, will you be leaving your post on 10 May? Is this true, doctor?

[Ramirez Boettner] That's right. I'm going to leave my post...

[Journalist, interrupting] Does this mean that Ruben Melgarejo will officially become foreign minister on 10 May?

[Ramirez Boettner] Exactly. That's right.

[Journalist] Are you going to become ambassador to the Vatican, doctor? Has this been confirmed?

[Ramirez Boettner] After the appropriate paperwork.

[Journalist] But, as things stand now, you are going to the Holy See. Did you discuss this Holy See issue, minister?

[Ramirez Boettner] Yes, discussions have been taking place.

[Journalist] Did you accept?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ramirez Boettner] Yes, I have accepted it. [end recording]

This is the only official information available on Dr. Ruben Melgarejo Lanzoni's swearing in as the new foreign minister here at the Government Palace on 10 May. [passage omitted]

Paraguay: Retired General Oviedo Forms Political Movement

PY0705175996 Asuncion ABC COLOR in Spanish 6 May 96 p 9

[Report by Antonio Caballero]

[FBIS Translated Excerpt] Lino Cesar Oviedo Silva, the controversial retired general, has announced the creation of the movement National Unity of Ethical Colorados (UNACE) [Unidad National de Colorados Eticos] as a Colorado Party faction. Oviedo said UNACE faction members will not be thieves, but moralists, adding that he seeks, above all, "to unite the Paraguayan family through the Colorado Party." Oviedo also participated in another meeting in Caazapa.

During a meeting at the municipal tin-roofed public meetings center Oviedo announced that his movement will be called National Unity of Ethical Colorados, because "there is need of a national unity of all ethical Colorado followers."

"This means that they should not be thieves. They should be moralists and respect freedom and democracy," Oviedo, the military man who kept the population up in the air for three days when he refused to obey an order from the Armed Forces commander in chief, said in Guarani.

During his speech Oviedo said that one of his virtues is his great patience and that he can accept an "aka jepete" (smack on the head — in Guarani) and foul-smelling people, adding that this is why he can found a faction within the Colorado Party. Oviedo said that many who founded other Colorado Party factions are more "inept" and "less Colorados" than himself, besides being "lazier" because he works a lot and sleeps little. Oviedo said that he works 17 hours per day, adding that he does not work 18 hours because that number "is very bad."

Oviedo said that he asked his friends whether he could get 3,500 signatures to found a movement and that he was surprised when he was told that he obtained 32,000 signatures in only 48 hours. He said that this number of signatures was higher than the number of votes obtained by the National Encounter Party [PEN] during their internal elections. He characterized PEN followers as "loud-mouthed and gang members," adding that he does not want to be "loud-mouthed or a gang member;" he only seeks to "unite the Paraguayan family through the Colorado Party."

Oviedo said his movement has a name, but it is not official, adding that it will become official soon. "The creature is about to be born," Oviedo said.

The retired general explained the origin of the movement, pointing out that the Colorado Party name is National Republican Association and that now "we need a national unity of all ethical Colorado followers."

Oviedo made a call to end the "persecution" of Colorados, adding that he does not want to win an election by purchasing votes or by directing them to the balloting boxes, but by winning his fellow party member's hearts with brotherhood and friendship and by making proposals that will help their well-being.

The general then said that his movement will accept only Colorados by conviction, not "renegade Colorados" or "Colorados of convenience, who are usually called opportunists. We want Colorados to work for the government or the party, serving peasants and the Paraguayan nation," Oviedo said.

The general mentioned that his movement's slogan was, first, integral security, including social security; second, honesty, "because it is a virtue and today we are surrounded by corruption;" third, work, because "Paraguayans are not thieves if they have jobs;" and fourth, "the well-being of the entire Paraguayan family." [passage omitted]

Paraguay: Strike Ends With 130 Wounded, Widespread Damage

PY0705162796 Asuncion ABC COLOR in Spanish 4 May 96 p 3

[FBIS Translated Text] Labor leaders closed the 48-hour general strike with a large rally yesterday afternoon. Workers left singing hostile slogans against President Juan Carlos Wasmosy, the justice and labor minister, and the interior minister. This was the most violent and damaging strike of the democratic transition and it ended with 130 people wounded and 200 million guaranies in losses, mostly due to damage to public buses.

The strike closed with a rally at Plaza de la Democracia that was attended by some 7,000 people. During the rally labor leaders warned the government that they will again come out into the streets "if Wasmosy does not to listen to our demands."

CUT [United Workers Trade Union Federation] Secretary General Alan Flores demanded President Juan

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Carlos Wasmosy's resignation because he was "good-for-nothing and incapable." Reinaldo Barreto Medina, the former Stroessnerist leader [from Alfredo Stroessner] who heads the public workers union, asked for the resignation of Ministers Juan Manuel Morales and Diogenes Martinez and made them responsible for the police violence on 2 May.

CNT [National Workers Federation] Secretary General Eduardo Ojeda accused government officials of being "corrupt and drug traffickers." These labor leaders as well as other speakers during the rally threatened with new mobilizations if the executive branch goes ahead with its plan to privatize public companies and end the social security monopoly.

The First Aid Hospital estimated that 130 people were wounded during the strike, including demonstrators, policemen, and public bus drivers and passengers.

The situation on the second day of the strike was one of almost total calm. The situation was only interrupted by marches in the downtown area and the commercial centers of Pettirossi and Eusebio Ayala, where demonstrators stoned and destroyed shop windows and bus windshields. At least 30 percent of all buses were operating despite all the vandalism.

One police officer was seriously wounded and bruised by a group of vandals who split from the group of strikers and attacked the officer, beating and kicking him on the corner of Chile and General Diaz Streets.

Bus company owners reported 114 buses with broken windshields, 132 buses with destroyed windows, and three buses damaged by Molotov bombs (home-made), estimating a total damage of 200 million guaranies.

The government estimated that total losses climbed to $19 million (some 38 billion guaranies), not including the loss of school classes or the probable compensation to bus companies for the widespread damage to their units.

According to organizers, the strike was respected by 95 percent of the people. The government, however, put the total stoppage at 30 percent and only in Asuncion and Ciudad del Este.

Peru

Peru: Communique Issued on Argentine Arms Sales

PY0805024496 Lima America Television Network in Spanish 0100 GMT 8 May 96

["Text" of communique on Argentine arms sales to Ecuador issued by the Peruvian Foreign Ministry on 7 May]

[FBIS Translated Text] The Peruvian Government is following closely and with great interest the investigations being conducted in Argentina to probe responsibilities in the sale of Argentine weapons to Ecuador during the 1995 conflict. The new reports released over the past few days must contribute to a prompt and final clarification of the details of the illegal operation.

Peru voices its confidence in President Carlos Menem's formal commitment that those responsible at all levels will be identified and punished in accordance with Argentine laws, and that the relations of friendship and solidarity between the Argentine and Peruvian peoples will be reinstated at their traditional high level.

Moreover, the Peruvian Government stresses the important role Argentina has been playing as guarantor of the Rio de Janeiro Protocol, and the support it has been granting in the fulfillment of everything agreed upon in the Itamaraty Declaration.

[Dated] Lima, 7 May 1996

[Signed] Ministry of Foreign Affairs Press Department.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.